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JPRS-SEA-87-090

8 JULY 1987



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# ***JPRS Report***

## **East Asia**

### ***Southeast Asia***

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INDONESIA

SUDHARMONO INTERVIEWED ON ELECTION RESULTS

Jakarta TEMPO in Indonesian 2 May 87 pp 24, 25

[Interview with General Sudharmono, chairman of GOLKAR by TEMPO reporters on 25 April; place not specified]

[Text] There are smiles these days throughout GOLKAR's [Functional Groups Party] DPP [Central Executive Board] offices in Slipi, West Jakarta. At a meeting with reporters last Saturday [25 April] Sudharmono was also smiling. The banyan tree [GOLKAR's symbol] had achieved a great deal. GOLKAR, listed second on the ballot in the general election, grabbed almost 75 percent of the votes. "We are happy," said Sudharmono.

TEMPO reporters A. Luqman and Bambang Harymurti and photographer Maman Samanhudi met with this year's winner. For about an hour they asked Sudharmono questions about GOLKAR and about the general election. Following are excerpts from this interview:

TEMPO: GOLKAR surpassed its target of 70 percent. Are you satisfied?

Sudharmono: It is hard for us to say that we are satisfied or dissatisfied. The results of the election are due to hard work on the part of all of us. We are happy with the results. But we must continue to think deeply about it.

TEMPO: Even though the economy is in bad shape, GOLKAR got more votes. Why is that?

Sudharmono: We can explain. The bad economic situation is not GOLKAR's fault. If economic conditions decline, it is not because the government is not working hard but because of the situation. And if GOLKAR cannot overcome it, how could others?

TEMPO: But the other OPPs [contenders in the general election] say that GOLKAR's victory is due to dishonest and unfair election practices.

Sudharmono: Dishonest and unfair? How can that be? Votes were counted openly. There were witnesses from each OPP. The opening and counting of the ballots were witnessed by the public. In fact, the witnesses each took away a copy of the vote count. People can see the results of the count.

TEMPO: So there was a switch of votes for GOLKAR? Where did it come from?

Sudharmono: Well, from the floating mass--and from our 25 million members and our 9 million cadres in the Ekasapta program. A shift of votes from the PPP [United Development Party]? Maybe. Maybe that was a factor.

TEMPO: Why?

Sudharmono: It's clear that in certain places NU [Muslim Scholars Organization] members voted for GOLKAR. Statements were made. Declarations were issued. We just don't know exactly how many there were.

In Pasuruan and Madura, for example, there are more people voting for GOLKAR now. The conclusion is that NU people who used to vote for the PPP are now voting for GOLKAR. That's quite possible. It's no problem. Because having returned to the [1926] line of action, the NU has freed its members. They are now part of the floating mass.

TEMPO: Is GOLKAR going to channel the NU's political aspirations?

Sudharmono: It is GOLKAR's obligation to join in struggling for those aspirations. This happens to be in line with GOLKAR's balanced inner-and-outer, material-and-spiritual program of struggle, not just to repay a service.

TEMPO: What would GOLKAR's position be if a crucial problem like the 1974 marriage laws arose?

Sudharmono: That's still very iffy. We're going to do our best to make sure that it doesn't happen.

TEMPO: Take a real case, PORKAS [soccer lottery], for example. MUI [Indonesian Muslim Scholars Council] has said that the disadvantages of PORKAS outweigh its advantages.

Sudharmono: It must be proved first. My evaluation is that up to now PORKAS had not yet endangered public morality or security. What we have had so far are only political statements whose truth has not yet been checked.

TEMPO: Some NU members' switch over to GOLKAR has taken votes away from the PPP this time. What's your comment on that?

Sudharmono: What can I say? The attitudes and policies of any organization's leaders are certainly a factor. Even though the NU has freed its members to vote for whom they want to, historically and morally they remain attached to the past. If that isn't the case, why isn't it?

TEMPO: But wasn't there a kind of directive from NU leaders to move their members over to GOLKAR?

Sudharmono: It's not my fault, if Abdurrahman Wahid (NU general chairman), as it were, suggested that NU members switch over to GOLKAR. If I try to get him to understand and sympathize with GOLKAR, that's my right.



TEMPO: GOLKAR now controls almost three quarters of the seats in the DPR [Parliament]. Can a balance of political parties continue to function now?

Sudharmono: Under a voting system, no. We don't have that system. We have a system of mutual agreement and consensus. That's what we have to listen to.

TEMPO: People are saying that the increase in votes for the PDI [Indonesian Democracy Party] is because of ABRI's [Republic of Indonesia Armed Forces] wishes to have a counterbalance to GOLKAR.

Sudharmono: That's hard to do. How could it be arranged?

TEMPO: What about ABRI's role if GOLKAR gets too big?

Sudharmono: ABRI operates as a stabilizing and dynamizing force and doesn't always have to side with GOLKAR. They have often had differing views--in examining legislative bills, for example, even though in the end the two have come together. That's mutual agreement and consensus.

TEMPO: The trend has been for the ABRI faction in the DPR to get smaller. If GOLKAR gets stronger, will the ABRI faction in the DPR get smaller?

Sudharmono: No. I think that the law fixing a figure of 20 percent is an old one. Actually, the 100-person ABRI faction has stayed steady. It used to be 100 out of 460; now it's 100 out of 500. It took 20 years to go from 460 to 500. Actually, the Army doesn't represent the military; it represents the people. The important thing is that ABRI's participation leads to a moral obligation to feel responsible for upholding PANCASILA [Five Principles of the Nation]. The meaning is that this nation is secure. You don't have to use all kinds of pushing and convulsions.

TEMPO: ABRI is neutral now. Suppose the bureaucracy were also neutral?

Sudharmono: ABRI is neutral as a defense and security force. It has been neutral since the beginning. It has to be that way. The bureaucracy is also neutral now. Where is there a nonneutral bureaucracy? KORPRI [Republic of Indonesia Civil Servants Corps]? That's its members, not the bureaucracy.

TEMPO: But isn't GOLKAR's size due to strong support from the bureaucracy?

Sudharmono: The bureaucracy supports not only GOLKAR but all political and social organizations. The PDI was also formed with the help of the government.

TEMPO: How can we distinguish between you as chairman of GOLKAR and you as the Minister of State and State Secretary. Are you chairman of GOLKAR when you wear your Muslim skull cap?

Sudharmono (laughing): Well, it just so happens that it's the same person doing both jobs. I'm not misusing my position if I do so once or twice--if, for example, I inaugurate a project as Minister of State and State Secretary, I do it on behalf the people; the GOLKAR part of them gives thanks to the government. Isn't that allowed?

TEMPO: Now for a hypothetical question. If the PDI won, would members of KORPRI have to become members of the PDI?

Sudharmono: I don't know. We have to see the historical developments.

TEMPO: If KARAKTERDES [Village Territorial Moving Force Cadre] becomes strong, wouldn't it be best for KORPRI to become a floating mass?

Sudharmono: But they are a floating mass; they become members of GOLKAR voluntarily. Then we make them into cadres.

TEMPO: In that case could GOLKAR become a political party at some future date?

Sudharmono: GOLKAR is a political organization, just like the other political parties. Only its name is Functional Groups. Its rights and obligations are no different.

TEMPO: Like the other organizations, GOLKAR has put Suharto up as a candidate again. Who is the candidate for the vice-presidency?

Sudharmono: We haven't talked about it yet.

TEMPO: There are analysts who mention you as a candidate for the position.

Sudharmono: Let them. That's the analysts' opinion. As for me, I have no ambitions to be vice-president.

TEMPO: Hasn't GOLKAR's victory given you a stronger bargaining position?

Sudharmono: There is no bargaining position. The main thing is that I have been carrying out my duties as well as I can. It's like a person preparing as best as he can for an exam. Right up to the last minute. The results depend on the exam. If he passes, he passes...

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CSO: 4213/86

# ELECTION IRREGULARITIES DESCRIBED

Jakarta TEMPO in Indonesian 9 May 87 p 27

[Text] Complaining voices can still be heard almost 2 weeks after the general election's festival of democracy. Dissatisfaction has frequently turned into protests. It has usually been the PPP [United Development Party] and the PDI [Indonesian Democracy Party] which have expressed criticism. GOLKAR [Functional Groups Party] has stayed silent.

Among those sending in notes of protest were the DPW [Provincial Executive Board] of the Aceh branch of the PPP, which protested 3 days after the voting. The Aceh PPP noted various irregularities; the number of form C's which were distributed was more than the number of registered voters and there were extra voters. Ironically, many people who were PPP sympathizers did not get a call to vote.

In addition, government agencies, which should be neutral, clearly behaved unfairly during the voting. An example is what happened in a village in East Aceh. The PPP report stated that the village head stood in front of the polling place and "reminded" the villagers to vote for GOLKAR.

A similar protest was made by the DPW of the North Sumatra branch of the PPP. In its letter to the PPD I (Provincial Election Committee) the PPP noted 44 incidents in eight counties and towns during the general election. In one interesting case 600 votes for the PPP and for the PDI were found floating in the river. The DPW of the PPP said that this occurred in Labuhanbatu.

A week ago Friday [1 May] hundreds of PPP and PDI supporters protested at party offices in Madiun, East Java. They said that they could not accept the alleged voting results, which they said differed from what actually happened. At TPS [polling place] 7 in Gemuruh, Gemarang subdistrict, Madiun, GOLKAR was reported to have won with 100 percent of the votes. "But we certainly did not vote for the middle symbol on the ballot [GOLKAR]," said the protesters.

There were other violations of the law which were not included in the political parties' protests. The victims were human beings. For example, Washington Sianturi, PDI Deputy Commissioner in Dolok Sanggul subdistrict, North Tapanuli county, North Sumatra, came to a bad end. Washington was stabbed to death by Padapotan Manulang 10 days before the election. After

Washington's body was thrown down in a heap the letters PDI were written on his penis.

The fight ended this way because Washington wanted to be a poll watcher outside his subdistrict. To do this he had to request form AB from Serdin Manulang, a village head and a relative. He was allegedly not given the form because he behaved rudely; he even slapped the village head and his wife. In the Batak area a village head is considered a king. "How could an ordinary person have the nerve to slap his king," said a local resident. Washington's behavior made people hate him and led to his murder. Washington was declared a PDI hero and a compensation of 500,000 rupiahs was given by the PDI's DPP [Central Executive Board].

A member of GOLKAR was killed in North Sumatra. Dali Ginting, 28 years old, was stabbed to death by Lesman Sitepu at the end of the noncampaigning week just before the election. It is reported that the killer accused Lesman, a member of the civil defense corps of Hutamburu, of tearing up the symbol of the PDI.

There were also election excesses in East Java. In this strongly NU [Muslim Scholars Organization] province the deflation of the PPP still has serious consequences. Before the election it was rumored that K H As'ad, NU general chairman, had issued an edict saying that people who "deflate" the PPP have broken Islamic law.

This "edict" gained wide circulation because SUARA INDONESIA, a daily newspaper published in Malang, reported it in the middle of April. "Whoever 'deflates' the party cannot lead daily prayers and cannot give away his child in marriage, because the law has been broken." That, they the Muslim official's edict published in SUARA INDONESIA.

This edict had serious effects. Some leading figures in the "deflation," it was said, were rejected by the Muslim community when they went to lead daily prayers. K H Latifi, an NU figure in Malang, was rejected when he was about to give away someone in marriage. Oh, my God, K H Zabur, another Muslim scholar, rejected him. The reason he gave was not based on Islamic law. "Because he is a 'deflator'; according to As'ad's edict he is a sinner," said K Zabur. It is not easy to be released from this violation; he must confess and beg God's forgiveness again and again.

Anwar Nurris, K H As'ad's nephew and secretary general of the NU's PB [Executive Board], said that the edict was a fake. "Its purpose was to confuse the situation and to get NU members' votes," he said.

There was an amusing election excess in Kasinoman, Kalibening subdistrict, Banjarnegara, Central Java. Because she supported the PDI, Mrs Santi and her family was arrested by the village head. In front of the other villagers Mrs Santi was threatened with being sentenced to beg while saying, "The wild buffalo [symbol of the PDI] is begging. The wild buffalo is begging." Fortunately, the sentence was not carried out, and on election day "My family and I voted for the PDI," said Mrs Santi, a PDI supporter since 1972.

Another amusing incident happened in Sangkrah, Solo [Central Java]. The wife of Sangkrah's village head vowed to go about naked if the PDI won, but she has not carried out her vow. Many of the villagers were waiting for her to do so.

It started, someone said, when the village head's family got angry when a group of people campaigning for the PDI passed by their house singing an offensive song. "Lir, ilir, the village head goes to Silir. He doesn't think about his people and his wife must wait her turn." That's the way the PDI youth behaved.

Of course the village head and his wife were upset; Silir is a well-known red-light district in Solo. Because she was angry, the wife of the village head, Mrs. Mudjiyanto, vowed to go about naked if the PDI won.

The results of the election in Sangkrah were amazing. The PDI got 2,307 votes to GOLKAR's 2,100. More people voted for the PDI because the villagers wanted to see the village head's wife, who has a fine nose and light skin, appear without clothing. "I too voted for the PDI because I wanted to see her naked," admitted a young man.

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CSO: 4213/86

## POSSIBLE FAILURE OF RICE SUPER INTENSIFICATION

Jakarta KOMPAS in Indonesian 9 May 87 pp 1, 8

[Text] Because of a shortage of high quality rice seeds, the super-INSUS [Special Intensification] program to increase rice production may fail. The Sang Hyang Seri Public Corporation, producer of rice seeds, has not been able to handle the sudden large orders, KOMPAS learned this week. Since rice seeds cannot be produced in a hurry, especially in large quantities, better planning is needed for future needs. The super-INSUS program was launched by the Department of Agriculture at the beginning of February 1987. The department noted that seeds must be made available for planting in April to June (the 1987 planting season).

It was explained that 6 months are needed to produce rice seeds, i.e. one planting season plus the time needed for processing. Existing rice seeds have already been earmarked for certain other needs, not just for super-INSUS.

Moreover, in order to make the super-INSUS program a success, Cisadane rice seeds, which have a potential for high productivity, were requested. But last year the Sang Hyang Seri Public Corporation planned for the production of seeds to control the rice-borer pest. Only 30 percent of their production was devoted to Cisadane seeds; most of the other varieties were intended for crop rotation.

## Six Thousand Tons

Projections of 270,000 hectares were made for the super-INSUS program in West Java's Jalur-Pantura area (Jatiluhur and the North Coast). For this area 6,750 tons of rice seeds are needed, 6,000 tons of which are to be Cisadane seeds. Up to now orders for only 4,000 tons, produced by the West Java and Central Java branches of the Sang Hyang Seri Public Corporation, have been filled. Efforts are being made to obtain the remaining 2,000 tons from private seed producers.

Last year the Sang Hyang Seri Public Corporation produced 23,317 tons of rice seeds. About 7,000 tons of that, 30 percent of the total, were Cisadane seeds. This means that 3,500 tons of Cisadane seeds, plus unsold stock, are available every season. Since the request for the West Java super-INSUS

program alone was 6,000 tons, almost all of the distributors' Cisadane seeds were taken from them.

It is no surprise that Cisadane seeds can be found only in super-INSUS areas such as Bekasi, Karawang, Subang and Indramayu. Farmers in other areas, such as Cirebon, will have a hard time finding Cisadane seeds. This means that the needs of farmers who are not involved in the super-INSUS program will be sacrificed for the success of that program.

The super-INSUS program is dependent on Cisadane rice seeds because of their high productivity potential; they can produce on the average 9 tons of harvested dry unhusked rice, whereas IR-36 rice, for example, only produces on the average 6 tons. In terms of husked rice there is a 1 to 1.5 ton per hectare difference between Cisadane seeds and IR-36 seeds.

#### The 1987-1988 Planting Season

The shortage mentioned above is for the 1987 planting season; for the 1987-1988 season, i.e. October to December, it has been estimated that the seed problem is even worse. Plans are for a West Java super-INSUS area of 1,350,000 hectares during the 1987-1988 planting season. This means a need for 33,750 tons of rice seeds.

If the super-INSUS farmer produces his own rice seeds in his own fields, there would be 33,750 tons of rice seeds. However, Sang Hyang Seri's processing capacity is very limited. The proof is that projected production of rice seeds for 1987 is only 25,280 tons.

It is believed that the large need for rice seeds created by the super-INSUS program will not attract the private sector. Producing high-quality or blue-label rice seeds is expensive. The Sang Hyang Seri Public Corporation still receives 150 to 200 rupiahs per kilogram in subsidies from the government. The private sector prefers to produce pink-label seeds, a lower level of purity.

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CSO: 4213/86

KIT SIANG CALLS MINISTERS DISMISSAL 'CABINET MASSACRE'

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 1 May 87 p 3

[Text] Lim Kit Siang, leader of opposition parties at Parliament, described Prime Minister Datuk Sri Dr Mahathir's dismissal of three cabinet ministers and four deputy cabinet ministers as an unprecedented "cabinet massacre."

He pointed out that the prime minister's move can only plunge the whole country deeper into the credibility crisis and that it will not contribute to the revival of the economy and the stability of our nation.

Mr Lim said that in the coming week or two, some cabinet ministers will become "superministers," each holding two and even three portfolios concurrently.

He said: "The Malaysian people expect that the least the prime minister should have done after carrying out this 'massacre' was to simultaneously announce the names of the people who would replace the dismissed ministers and deputy ministers.

"This kind of style has simply plunged our country into a state of anarchy, and it does not help to restore the confidence of the populace and foreign countries in our nation."

Mr Lim made the above remarks in a statement issued today.

He said that it is shocking to learn that 5 out of 14 cabinet ministers representing the United Malays National Organization [UMNO] have been dismissed. The ousted ministers include Tengku Razaleigh who was defeated in the UMNO election for the presidency by a mere 43 votes, and Datuk Abdullah Badawi, who ran for the UMNO deputy presidency and ended runner-up.

Mr Lim said that although the National Front won four-fifths of all contested parliamentary seats in the August 1986 general election, the victory did not improve political stability in our country or restore public confidence in our nation.

Meanwhile, the Islamic party [PAS] declined to comment on the three ministers and four deputy ministers who had been fired by the prime minister.

PAS President Yusuf Rawa said that it is the prime minister's prerogative to appoint or dismiss cabinet ministers.



DISMISSAL OF MAHATHIR'S OPPONENTS VIEWED

Kuala Lumpur NANYANG SIANG PAO in Chinese 3 May 87 p 2

[Editorial: "After Leaders of the Challenger Faction Were Removed From Office"]

[Text] Prime Minister Datuk Sri Dr Mahathir, who trounced his opponents in the recent UMNO leadership election and regained his right to lead the party, not only announced the other day his acceptance of the resignation of Trade and Industry Minister Tengku Razaleigh and Foreign Minister Rais Yatim, but also dismissed three ministers and four deputy ministers of the opposition faction. The news shocked the entire country and adversely affected the stock market.

As a matter of fact, it is something to be expected for an official to lose his job after he is defeated in a party election. But it was beyond expectation that even the deputy president and both the chairman and vice chairman of the Supreme Council of the party were also purged. Many people were shocked by the prime minister's drastic and merciless action. Considering the fact that the challenger faction got 49 percent support out of the UMNO convention delegates, the public is closely watching whether the prime minister's bold and resolute step will or will not meet with wide opposition.

Judging by the immediate public reaction to the dismissal of the cabinet ministers and vice ministers concerned, those who approve and others who oppose the move are split about even. Of course, UMNO's ruling faction supports the prime minister's action, while some people in the opposition faction are understandably dissatisfied. Summing up the viewpoints of various quarters, it can be said that nobody questions the prime minister's privilege to choose the membership of his cabinet or the appointment of other government officials and that his style coincides with the democratic system.

Delving deeper into the matter, we notice that the UMNO was divided into two distinct opposing camps in the election just past. The challengers let it be known that they did not support Dr Mahathir's leadership and that they held differing opinions about many of the prime minister's policies. Under such circumstances, it was not politic for the dissenting ministers and deputy ministers concerned to remain in the cabinet. On the other hand, if they were

to retain their cabinet posts, it would be difficult for the prime minister to exercise control, and even hard to expect wholehearted cooperation of the entire cabinet for the implementation of his plans or policies. Seen from this angle, he had his reasons for not tolerating his political opponents to remain in office.

Taking a step back, can we describe the prime minister's action as a "revenge," as criticized by the challenger faction? It is clear that the dismissal of the challenger faction leaders has been regarded as the prime minister's move to expel "outsiders," to go it alone and to ignore the wishes of the 49 percent delegates to the UMNO convention. But such a viewpoint merely exacerbates the party's dissension. After the party election was over, various quarters are watching anxiously how the UMNO leaders will heal the wound and rehabilitate the party back into a complete whole. We once pointed out that if the leaders of both factions are willing to submit heart and soul to their common cause, and reunite after a separation, then they do not violate the meaning of democracy and healthy competition.

The UMNO is the largest political party in our country, and occupies the controlling position in the National Front. The recovery of its unity and stability constitutes an important factor for the tranquility of our political situation. Tengku Razaleigh voluntarily resigned after indicating his nonconfidence in the prime minister's leadership, while the seven ministers and deputy ministers, in a joint statement day before yesterday, also pointed out that they openheartedly accepted the prime minister's decision. Now that their anticipated moves have happened, there is of course no shirking the responsibility for the UMNO president to soothe the emotions of the supporters of the challenger faction, and the leaders of this faction also have the duty of sharing the responsibility.

In dismissing the leaders of the opposition in a quick, decisive surgery, the prime minister on the one hand can weaken the opposition's strength and consolidate his own position on the other. No doubt the application of this strategy has its effect, but Dr Mahathir cannot afford to ignore probing the reasons for the considerable support to the opposition faction. He must also reexamine the policy statements made by the opposition in order to eradicate the unhealthy sentiments lurking within the party.

To a certain degree, a number of major problems brought up in the joint statement signed by the seven dismissed ministers and deputy ministers are urgent problems requiring solutions. These problems include the increasing number of jobless people, the restoration of public confidence and the responsibility of the government toward the people. We firmly believe that the government will not ignore these problems. On 14 May, the prime minister will announce the formation of the reorganized cabinet. The people fervently hope that the new cabinet will be able to solve our political and economic problems more effectively and to speed up the recovery of the economy.

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KENG YAIK ATTACKS OPPONENTS

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 4 May 87 p 5

[Text] At a general assembly of the Malaysian People's Movement [GERAKAN] in Penang today, its president, Datuk Dr Lim Keng Yaik, vehemently criticized his opponents.

His criticism was directly against none other than the leaders of the opposition in the upcoming Central Committee election of the party, namely Datuk Goh Cheng Teik and Datuk Khor Gaik Kim.

Dr Lim Keng Yaik indicated that in the past 3 years he has spent much time to unite his party in Penang and resolve disputes involving personnel matters. He believes that it is difficult to unite but easy to split the party.

He said that although the factional bickerings in Penang have been reduced to the minimum, there is still a tiny group of people who refuse to cooperate but who prefer to become dissenters and trouble-makers for selfish reasons.

In his opening speech in his capacity as chairman of the party convention, Dr Lim Keng Yaik warned his opponents who are attempting to overhaul the party's Central Committee leadership that the trend of the entire membership is toward unity, so it would be best for the opponents to follow the wishes of the majority.

He said that a certain leader has criticized that the GERAKAN party gets only 4 seats out of the 11 state assembly seats outside of Penang, or 36 percent, and only one seat in the 4 parliamentary seats representing Penang.

He said that when one talks about an election, he should talk about the whole picture, but not find faults or ignore the good points.

Lim Keng Yaik continued that the GERAKAN won 4 out of 5 state assembly seats outside of Penang, which means 80 percent; moreover, it got 9 out of 11 state assembly seats for Penang.

He said that if the GERAKAN lost a few seats in a general election amidst unfavorable circumstances or factors, the members should make allowance for

such a situation, instead of putting the blame entirely on the party leadership.

He pointed out that he once appealed to the Penang inhabitants to support the GERAKAN not only in the state assembly, but also its candidates for Parliament. However, his appeal went unheeded, and that's why the party holds only one seat in Parliament for Penang.

Dr Lim said: "We are not blaming any particular person on account of circumstances which were beyond our control and which caused our candidates to suffer a severe test in urban areas.

"Our party must undergo self-imposed hardships so as to strengthen our resolve to wipe out our humiliation. We must give a better performance in the next general election."

He said he has repeatedly stressed the importance of Penang vis-a-vis the GERAKAN party and wanted to say again that his party still holds a dominant position in Penang. He exhorted the members and other leaders to carry through the objectives of the party's struggle and the importance of expanding the right of participation in the state administration.

At the convention today, Dr Lim also talked about the large batch of young voters who possess the power to sway the voting. These youngsters are liable to be influenced by the media, and their outlook of society is quite different from the older generation's and difficult for the latter to comprehend.

He said that the voters in our country are mostly young people and they are greatly detached from political leaders. If the gap between these two groups cannot be narrowed, this batch of young people are likely to be exploited by opposition parties. If these youngsters are not properly guided, it will mean a political loss, as far as the nation is concerned.

Dr Lim said: "As for the GERAKAN party, if we cannot offer guidance to the younger generation, it is tantamount to weakening our power of political influence on our national politics, even causing our party to lose control over the administration in Penang."

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## HIRING OF CHINESE-LANGUAGE TEACHERS

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 30 Apr 87 p 3

[Excerpts] The Ministry of Education this year will increase the quota of applicants who pass Chinese-language tests with distinction in order to solve the problem of shortage of Chinese-language teachers.

Beginning next year, Chinese language will be incorporated into the main curriculum in schools. As this measure will increase the demand for Chinese teachers, the ministry is making the necessary preparations now.

Deputy Education Minister Boon See Chin divulged that more than 9,000 students are enrolled in normal colleges this year, 1,000 of whom passed Chinese-language tests with flying colors and are being trained to teach Chinese in the future. Last year, students majoring in Chinese numbered 400 only.

Deputy Minister Boon said that the Summer Teachers Training Course has accepted about 1,600 students, of whom 232 are Chinese primary school teachers. Last year, only 160 Chinese primary teachers enrolled in the summer course.

He said that if the teachers training program could be smoothly operated, it is expected that the problem of Chinese-language teachers shortage could be solved by 1992.

He also disclosed that more male students are accepted by the teachers training institutions than female students this year.

Boon See Chin, replying to a reporter's question, said that if mass organizations have opinions regarding the inclusion of the Chinese language into the main curriculum, he would be glad to listen.

Mentioning about educational laws, he indicated that hopefully this problem would not be turned into a political issue, adding that it should be resolved through positive methods.

He believes that the results of the UMNO party election will have no impact on education in our country.

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MALAYSIA

NO PRESSURE IN SCHOOL PRAYERS ASSURED

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 30 Apr 87 p 3

[Excerpts] Deputy Education Minister Boon See Chin today guaranteed that non-Muslim students will definitely not be forced to join "mass prayers."

He said that should these students be "harassed" for refusing to take part in mass prayers, they may file a complaint to the Education Ministry.

The deputy education minister was answering our reporter's questions after attending a briefing by the Malacca State Education Bureau chief concerning school prayers issue.

He said that pupils of Chinese and Tamil schools in Malacca state are no longer required to attend mas prayers, as this requirement applies only to national schools and a number of national-type schools.

He pointed out that when these national schools are conducting mass prayers, non-Muslim pupils need not take part.

"I will deal with this problem directly, if it is established that non-Muslim students have been harassed for refusing to join the school prayers," he said.

If similar problems should occur in other states, the parties concerned may request the deputy minister's help.

Boon See Chin also said that certain schools in Malacca which are conducting mass prayers will hold a self-criticism about student discipline after 2 or 3 months to decide whether to suspend or carry on with the school prayers issue.

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MALAYSIA

CAAC-MAS COOPERATION AGREEMENT SIGNED

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 28 Apr 87 p 3

[Text] The Civil Aviation Administration of China [CAAC] is the latest aviation company that has signed an agreement with the Malaysian Airlines System [MAS] concerning flight simulator training.

In a public statement issued today, the MAS said that as of today, the first batch of four CAAC pilots will receive flight simulator training at MAS' training center in Subang.

The statement said that the CAAC has subscribed to 40 MAS' Boeing 737-type flight simulator courses for April and May, each course lasting 4 hours.

The CAAC intends to send 78 pilots to Malaysia to undergo the Boeing 737-type flight simulator training.

The statement said that the agreement was signed by the two parties concerned in Guangzhou recently, which represented their first technical cooperation.

"As the requirements by foreign aviation companies for MAS' Boeing 737-type flight simulator training are high, five training courses are presently held everyday at the MAS' training center."

Other aviation companies that have made good use of MAS' flight simulator training courses include Thai Airways, Brunei Royal Airlines, and Pakistan International Airlines.

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COMMENTS FOLLOWING SHULTZ U.S. BASES STATEMENTS

Laurel Cites Possible Pull-out

HK220215 Manila Far East Broadcasting Company in English 2300 GMT 21 Jun 87

[Text] Vice President Salvador Laurel yesterday [21 June] said the United States might close Clark Air Base and its naval facility at Subic if Filipinos become hostile towards the bases. His statement came a week after U.S. Secretary of State George Shultz told local legislators the American bases provide mutual defense and Filipinos should not consider as rent the assistance the United States provides in exchange for the use of the facilities. Mr Laurel, who is also foreign secretary, met with Shultz last week in Singapore during a preparatory meeting for the ASEAN summit later this year. He said they discussed the continued presence of the Clark and Subic and smaller U.S. military facilities in the Philippines. The vice president also said that if the Americans feel we do not need the bases as far as the national interest is concerned, they will pull out and will probably look for another place. He said if they know that the people are against the bases, they know very well that foreign bases cannot last in an area surrounded by a hostile population.

Vice President Salvador Laurel also reported that the Association of Southeast Asian Nations is preparing a draft treaty for a nuclear-free zone in the region. He said the proposed zone will include Burma, Kampuchea, Laos, and Vietnam as signatories. Laurel said Indochina is being included because if the proposed nuclear-free zone is limited to the ASEAN countries, then Cam Ranh Bay and (?Tekhanan) in Vietnam will still have nuclear weapons because of the Soviet military presence there. Laurel emphasized that if those places have nuclear arms, then why are we going to prevent ourselves from having weapons. He was referring to the military bases in Vietnam used by the Soviet Union. The United States has said it needs its facilities in the Philippines partly to counter Soviet influence in the Pacific rim.

Senate U.S. Bases Support Said Weak

HK191315 Manila THE MANILA CHRONICLE in English 19 Jun 87 pp 1, 6

[By staff member Wilson Bailon]

[Text] If the Senate voted today on the extension of the Military Bases Agreement, the measure would likely be defeated.



The reason is that while the majority of the senators-elect are for the continued stay of the U.S. bases in the country under certain terms, there are enough of their colleagues against the bases to block such an extension.

Under the constitution, any treaty or international agreement entered into by the president must be ratified by at least two-thirds of the senate. Two-thirds means 16 senators.

To defeat such a treaty required only 9 dissenters because the votes of the remaining 15 senators do not make up the needed two-thirds.

As of last count by the CHRONICLE, there are at least nine senators-elect who are against the U.S. bases. Five of them, Jovito Salonga, Raul Manglapus, Wingberto Tanada, Augusto Sanchez and Jose Lina--have come out openly against the bases even during the last campaign.

Two others are also known for their anti-bases sentiments but have been silent on the issue since the start of the campaign. Two more are "heavily inclined" towards a nationalist stand.

In addition, at least three senators-elect have said during the campaign that they were basically against any foreign military bases in the country but would not stand in the way of President Aquino in charting a foreign policy "attuned to the realities of the times."

Others have said that they would favor an extension if the U.S. offered a "substantial" increase in rental for the bases. Senator-elect John Osmena, for instance, would want to tie the bases issue to the country's huge foreign debts.

Tanada yesterday told the CHRONICLE he was confident that there would be enough senators who would oppose the bases when the issue is brought to the floor for discussion.

On the statement of U.S. Secretary of State George Shultz that the United States was prepared to leave the bases if they were not welcome by the government, Tanada said "such an arrogant and condescending attitude" shows that the American policy towards the Philippines has not changed.

"The Reagan administration continues to treat the Aquino Government as an unequal partner," he said.

Tanada stressed that the issue is the dismantling of the U.S. bases and not whether to call the American money "rental" or "aid."

"By delving on terminologies," he said, "we are sidetracking from the real issue, which is the dismantling of the U.S. bases on or before 1991."

The bases agreement expires in 1991. Unless a new treaty is forged by the two governments and ratified by the Philippine Senate, the Clark Air Base in Pampanga and the Subic Naval Base in Olongapo will have to go.

One issue which would effectively curb American military presence in the country is the nuclear-free provision in the constitution. Section 8 of Article 2 states: The Philippines, consistent with the national interest, adopts and pursues a policy of freedom from nuclear weapons in its territory. [no opening quotes as published]

Strict implementation of this provision, knowledgeable observers say, would force the Americans out of the country considering their stockpile of nuclear weapons in their war arsenal.

Salonga and Manglapus had urged President Aquino to start talks with the Association of Southeast Asian Nations (ASEAN) to make the region, including Vietnam and Kampuchea, a "zone of peace, freedom and neutrality."

In Singapore, CHRONICLE reporter Cristina Pastor reported that Vice President and Foreign Affairs Secretary Salvador Laurel said there was "nothing new" in SHultz's message that the bases compensation package be called "aid" not "rent."

What is important, he said, is for the Philippines to get an "adequate amount" from the United States for the use of Philippine facilities and be "satisfied with it."

#### Ileto Favors Retention

HK191225 Manila Radio Veritas in Tagalog 1200 GMT 19 Jun 87

[Text] Defense Secretary Rafael Ileto favors the retention of the U.S. bases in the country. In a speech before the Bishops-Businessmen Conference, he said the military bases are necessary for our security and stability. But he added that in the final analysis, the Filipino people will have to decide on the issue.

Meanwhile, he admitted that three forces are considered threats to the country. They are the NPA, MNLF, and the ultraright forces. The Communist Party of the Philippines-NPA poses the greatest threat to the security of the Philippines.

#### Tolentino Favors Referendum

HK220659 Quezon City Sports Radio 738 in English 0330 GMT 22 Jun 87

[Text] Former Senator Arturo Tolentino considers it a big insult that the money which the United States is giving to the Philippines is aid and not rent for its military bases. He expressed this opinion after Shultz made a statement concerning the removal of the bases if the government insists that the money is considered rent. According to Tolentino, the government should ask the people's opinion on the matter. He added that the present administration can carry this out through a referendum. The response of the people will be the answer to the U.S. bases issue.

## Perpetuation of Bases Beyond 1991 Seen

HK191257 Manila PHILIPPINE DAILY INQUIRER in English 19 Jun 87 p 4

["Postscript" column by Federico D. Pascual, Jr: "U.S. Facilities Stay Beyond 1991"]

[Text] American military facilities on Philippine bases will stay after their lease runs out in 1991. We dare make this prediction this early.

There are many reasons for this, but the main one--to my mind--is the fact that we are not ready, and will probably not be in 1991, to tell the Americans to leave those bases.

Let's first make clear some points on the expiration of the bases agreement.

The last work on the lease period is the so-called Ramos-Rusk agreement of 1966. This amendment of the original 1947 pact provides that unless terminated earlier by mutual agreement, the military bases agreement shall remain in force for 25 years from the signing of the Ramos-Rusk agreement on 16 September 1966. Under this provision, the lease is scheduled to run out in September 1991.

What happens after that?

After 1991, unless extended for a longer period, the lease of U.S. facilities on Philippines bases shall become "subject to termination upon 1 year's notice" by either government.

This means that after 1991, the lease does not expire automatically. It will end only if there is a notice of termination by either the Philippine or the U.S. Government. If neither government files a notice of termination after September 1991, the U.S. lease will continue,--not just for 5 or 25 or 99 years, but for always!

After 1991, there has to be a 1-year notice of termination, otherwise the lease will run on indefinitely.

On the need for notification, my perception at this point is that we still don't have the political will to tell the Americans to leave. That's on the official level.

On the level of popular will, while there has not been a definitive survey or formal referendum on whether or not U.S. facilities should stay, I dare say that there are not enough Filipinos at this point to constitute a vox populi to remove U.S. facilities.

Proof that we are not ready for a U.S. pullout is our utter lack of preparation for that eventuality. Cushioning the impact of a withdrawal is not something we do in 2 or 3 years, yet preliminary low-level negotiations of the bases pact are already set to start within the year.

By the time the United States officially makes the same bluff about pulling out 1 or 2 years before 1991, I'm afraid we would still be unable to react from a position of strength.

When it becomes evident that we are not in a position to let the Americans go, for economic and other reasons, we will be reduced to helplessness. With our failure to file a 1-year notice of termination, by default, the Americans would have won an indefinite extension.

All they have to do, really, is just to keep us in this perpetual state of indecision and unpreparedness.

That parting shot of U.S. State Secretary George Shultz that the United States would pull out if we dare collect rent from this is childish.

This is silly in the eyes of pro-rent advocates whose logic is simple: The United States is leasing valuable space in the country. What we receive for their use of this space is lease payment. Lease payment is rent.

If we follow the American claim that the great policeman of the world put up bases here to protect us from the communists, we should be the ones paying them.

Mr Shultz had gone on to the ASEAN ministerial meeting in Singapore to scare the daylights out of our assembled foreign ministers, some of whom were earlier making noise about declaring a nuclear weapon-free zone in this part of Asia.

As other American functionaries had done before him, Mr Shultz simply told them no dice. To put a little more pressure on this small band of Asians testing american mettle, they were told about possible trade problems if they do not cooperate.

Elsewhere they call this blackmail, but that's a reality of world politics.

We can do something about this, but it needs political will from our leaders backed by a resolute and united stand from the people. This we still have to see.

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ADVERTISEMENT WARNS AGAINST NEW U.S. ENVOY

HK161247 Quezon City MALAYA in English 15 Jun 87 p 9

["Paid Advertisement" by the Philippine Crusaders for Freedom, Democracy, and Constitutionalism: "Filipinos, Beware!"]

[Text] Nicolas Platt Exposed

On 28 May 1987, Mr Nicolas Platt appeared before the U.S. Senate Foreign Relations Committee for confirmation as the next ambassador to the Philippines.

The hearing which expected the confirmation quickly and routinary [as published] took a shocking twist when the co-chairman of the committee, Senator Jesse Helms (Republican, North Carolina), produced a 1982 memorandum signed by Mr Nicolas Platt for the funding of the Palestinian Liberation Organization by the U.S. State Department through U.S. contributions to the United Nations.

This utterly shocking revelation caused the nominee to ask for the postponement and discontinuance of the hearing so he may better be prepared to address the matter of his past deeds.

The actual document will not be declassified until early next week. However, copies will be made available by the U.S. Senate Foreign Relations Committee.

Platt on Red China and the African National Congress

Mr Platt was noted to be the key U.S. State Department figure who formed the American Red China policy that resulted in the United States turning its back on Taiwan in favor of a communist state.

In addition, Mr Platt, while U.S. ambassador to Zambia in Africa, was the first American diplomat to solicit cooperation and coalition with the African National Congress which is known worldwide to be a communist organization linked to the Soviet Union since the mid-1940's.

Questions to Platt

With his policy of coddling up to and supporting communist organizations, Mr Platt must answer these questions if he is to be the new ambassador of the United States to the Philippines:

What will he do to stop the New People's Army and communist insurgency? Will he merely create an atmosphere for the growth of communism as he has done several times in the past?

#### Platt Orchestrated U.S. Philippine Intervention

It should be pointed out that as a top executive assistant to State Secretary George Shultz since 1985, Mr Platt was the top diplomat charged with orchestrating the change of government in the Philippines.

Mr Platt was one of those directly responsible for the kidnapping of President Ferdinand E. Marcos and his family out of the Philippines, and for the installation of Mrs Corazon Cojuangco Aquino and the coalition she has established with card bearing communists in her government.

To this day, there is no proof of that Mrs Aquino won the February 1986 presidential and vice presidential snap elections. Comelec [Commission on Elections] Chairman Ramon H. Felipe Jr himself confirmed this publicly.

The Aquino government has continuously fed media with charges convicting President Marcos by publicity, and yet persistently refused to grant him his democratic and fundamental human right to return to the Philippines to defend himself.

The United States Federal Court of Appeals last 2 June 1987 overturned efforts of the Philippine Government through the Presidential Commission on Good Government to confiscate assets of President Marcos and his family because evidence shown did not prove these to have been illegally acquired.

But Mr Platt personally and proudly takes credit as the architect of the U.S. interventionist policy in the Philippines. If there is violence and bloodshed in the Philippines today, Mr Platt can directly be blamed for it. If there is brutal communist insurgency active and thriving in the Philippines today, Mr Platt must likewise be blamed for it.

#### Socio-economic Deterioration and Massive Election Frauds

The Philippine socio-economic situation is rapidly deteriorating, peace and order conditions are worse as killings take place daily, and the country is on the brink of a takeover by a godless communist ideology alarmingly afflicting 62 of the nation's 76 provinces.

Massive fraud and cheating nationwide characterized the 11 May legislative elections. The Commission on Elections preemptorily and brazenly ignored over 540 fully documented protests filed to decalre the polls a nationwide failure. The Comelec hastily declared winners in the senatorial contest without hearing the petitions of the principal political parties and individual candidates victimized by the poll irregularities committed through repressions, harassment, deceit and manipulation of the nation's electorate.

Why Mr Platt for Philippine Post?

Why is Mr Nicolas Platt being nominated U.S. ambassador to the Philippines? The answer is simple.

The mess that exists in the Philippines today is largely if not solely due to U.S. interventionist policy plotted and orchestrated by Mr Platt and his principals. He has now become the "fix it" man.

Socialist Philippines? Never!

Mr Platt is charged with making an Aquino socialist government work in the Philippines. The integrity of the U.S. State Department and its policies are at stake. These policies are not flawed and failing. And even with the fixer Platt, a socialist communist government will not work in the Philippines, now or in the future.

Platt Dangerous to the Philippines

The Philippines under the direction of Mr Platt as ambassador of the United States Government is destined for continuing bloodshed, misery, economic deprivation, and communist expansion.

Mr Platt must not be allowed to continue the destruction of the Philippines. He must not be permitted to continue the interventionist policy of the U.S. State Department to cover up for very obvious past errors.

The Filipino people will stand for nothing less than freedom, democracy, and constitutionalism, and will continue to rise up and fight communists and their allies.

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TRADE SECRETARY OPTIMISTIC ABOUT JAPAN GRANT INCREASE

HK130901 Manila MANILA BULLETIN in English 13 Jun 87 p 25

[Text] Trade and Industry Secretary Jose S. Concepcion Jr. has expressed optimism that the Japanese Government may favor a higher than the existing 30 percent share of the grants component in the latter's financial package for the country.

Based on his recent discussions with Japanese mission led by former Foreign Minister Dr Saburo Okita, Concepcion also said that the National Development Co [NDC] might seek a separate restructuring arrangement with its Japanese creditors to maximize the utilization of the soft loan component of the package.

"It is possible that the NDC will conduct a separate restructuring negotiations for its \$744.06 million yen-denominated loans so that we will not be drawing away money from the funds that will be made available, which can otherwise finance critical projects," he said.

NDC actually used bulk of the loans amounting to \$428.12 million for the construction of its smelter project. About \$219.38 million was negotiated to finance the development of its fertilizer project and \$75.95 million for its subsidiary, Philippine Plate Mills. Only \$20.61 million directly went to NDC.

Concepcion declined to give the exact amount of the grants component which the government requested from the Japanese Government but indicated that the latter is likely to consider the proposal, "recognizing the situation we are currently in." He added that the government previously sought the same with the U.S. Government, which subsequently increased to 80 percent the grants component of its total development package.

A study conducted by the Japan International Cooperation Agency (JICA) team headed by Akira Takahashi, which was presented to the Philippine Government during the Okita mission's visit, outlined priority areas for the Japanese development assistance such as land reform, employment generation, productivity improvement, and health care.

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PHILIPPINES

CONCERN REPORTED OVER INCREASED CUBAN PRESENCE

HK161217 Manila THE PHILIPPINE STAR in English 15 Jun 87 p 3

[By Rey Arguiza]

[Text] Immigration and intelligence authorities view with suspicion the noticeable increase of Cubans arriving in the Philippines recently.

On last Thursday, Cuban embassy staffers met six Cuban nationals at the Manila International Airport [MIA] whom they helped with their papers at the MIA immigration counter. This provoked an immigration officer to stress, "I think we are still in control here."

Another immigration official said records of disembarking passengers at the MIA show "a noticeable number of daily arrivals of Cubans in Manila, indicating a sudden interest of Cuba in the Philippines."

The continuous influx of foreign nationals into the Philippines, especially those from Soviet allies, has raised concern among members of the intelligence community, including the National Intelligence Coordinating Agency.

One reason for this apprehension are reports that some foreign nationals have allegedly been aiding communist rebels with material and financial support.

There have been several reports of foreign infiltrators sighted with New People's Army groups in Panay and Mindanao. So far, however, there has been no confirmation of these claimed "sightings."

The Cubans are not the only ones who have shown unprecedented interest on the Philippines. In fact, they could be considered latecomers.

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CHURCH ACTIVISTS PICKET SINGAPORE EMBASSY

HK190641 Hong Kong AFP in English 0531 GMT 19 Jun 87

[Text] Manila, 19 June (AFP)--Filipino church activists Friday picketed the Singaporean Embassy here demanding an open trial for 16 people jailed in the city state last month for an alleged communist conspiracy.

Those jailed include 10 Roman Catholic Church workers in Singapore.

The demonstrators gave embassy officials a letter for Prime Minister Lee Kuan Yew demanding an open trial for the 16, plus a retraction of Singaporean Government charges linking Filipino groups to the alleged plot.

About 50 Roman Catholic and Protestant protestors, including a priest, took part in the picket, which included a prayer service, outside a building in the Makati financial district housing the Singapore Embassy.

They carried placards saying "Free the Singapore 16" and "Lee Kuan Yew Out."

Embassy Counsellor Wong Kwok-pun told AGENCE FRANCE-PRESSE the letter would be sent to Singapore.

He also gave the demonstrators government statement on the 16, who have been held since 21 May without trial under Singapore's Internal Security Act.

The Government has said the 16 were part of a clandestine communist network and they had links with Filipino communist rebels involved in church and theatre organisations.

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## PHILIPPINES

### AQUINO ENDORSES MANALO CANDIDACY FOR UNESCO

HK210909 Manila THE MANILA CHRONICLE in English 21 Jun 87 p 3

[Text] President Aquino has endorsed the candidacy of Ambassador Rosario Manalo for the post of director-general of the UN Educational, Scientific and Cultural Organization (UNESCO).

In a statement released by Malacanang yesterday, the President said Manalo "comes highly recommended by the Philippine Government, noting her ability "as an executive, as an educator and as a diplomat."

The Philippines launched Manalo's candidacy last 13 April.

In a letter to Pakistani Prime Minister Mohammad Khan Junejo last 26 May, President Aquino said that while she shared his apprehension that the absence of a consensus candidate among the Asian and Pacific nations could cause the director-general's post to be awarded to another region, "it is regretted that the Philippine Government is unable" to withdraw Ambassador Manalo's candidacy.

Manalo's bid for the UNESCO post is reportedly being contested by nominees from Indonesia and Thailand.

Mrs Aquino told Junejo the Philippines had made an early indication of its intent to make a bid for the post" through the late Dr Rafael Salas.

President Aquino, in her statement, noted that no Asian has yet been named to the post, and neither has a woman occupied it, "despite the laudable efforts of the United Nations to equalize opportunities between the sexes during the International Decade for Women."

She told Junejo that there is a "perceived sentiment among member states of the United Nations, and the system itself, for women to be given a chance to occupy key positions in the decisionmaking body" of the United Nations.

She said the country views UNESCO as an "indispensable international forum" for discussing ways to achieve "an improved quality of life for all."

Manalo is the Philippine ambassador to the Kingdom of Belgium, the Grand Duchy of Luxembourg and the European Economic Community. She had been the Philippine

representative to and chairperson of the UN Commission on the Status of Women for the UN World Decade of Women from 1975 to 1985.

She is a graduate of the University of the Philippines and Long Island University of New York with post-graduate degrees in diplomacy, law and jurisprudence and public administration.

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EDITORIAL URGES END TO 'INTRIGUES' AGAINST ILETO, RAMOS

HK191247 Manila MANILA BULLETIN in English 19 Jun 87 p 6

[Editorial: "Vicious Intrigues"]

[Text] Clearly inspired stories that either National Defense Secretary Iletto or General Ramos has resigned or is resigning are calculated to drive a wedge between the President and the two leaders of the military establishment.

The communist rebels and Marcos loyalists, intent for different reasons on undermining the government and destabilizing society, would like nothing better than the removal from the scene of the two biggest obstacles to the achievement of their respective sinister and treasonous designs.

Responsible sources in Camp Aquinaldo have hinted at the complicity of certain official quarters in the obvious ouster conspiracy against Messrs Iletto and Ramos. These quarters, it must be underscored, differ on ideological grounds with the national defense secretary and the chief of the Philippine armed forces on the score of the military's approach to the insurgency problem. The objective evidence shows that the president has placed her imprimatur on the military's approach.

It is absurd, but true, that certain Marxist and other radical elements consider it as an unforgivable sin that both Iletto and Ramos went to West Point.

Under a democratic government, nobody in the government service is indispensable.

Yet, both Secretary Iletto and General Ramos should be kept in the public service in light of present-day security problems and realities.

It is a tribute to General Ramos that the Knights of Rizal will shortly confer upon him the "Knight Grand Cross of Rizal," the highest decoration within the gift of this prestigious organization.

For the good of the government and of the nation, the vicious intrigues against Messrs Iletto and Ramos should cease. The conspirators behind such hideous plots should be exposed.

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CSO: 4200/655

PHILIPPINES

ORDER FOR SCHOOLS TO REPLACE MARCOS PICTURES HIT

HK160323 Hong Kong AFP in English 0305 GMT 16 Jun 87

[Text] Manila, 16 June (AFP)--Philippine education officials have ordered schools to hang pictures of President Corazon Aquino in place of "divisive" images of former President Ferdinand Marcos and his wife Imelda, spokesmen said Tuesday.

The move immediately drew press criticism as a throwback to the personality cult of Mr Marcos during his 20-year rule.

Education Secretary Lourdes Quisumbing said in a memorandum sent to schools Monday as a new academic year began that the display of Marcos paintings and pictures "tends to provide divisive effects and influence" among the people.

She said the presidential palace last year ordered all "forms of visual presentations" of the Marcoses removed from government buildings as they hampered Aquino Government's efforts at national reconciliation, unity and progress.

"Everybody in this department is enjoined to acquire pictures or photographs of her excellency President Corason Aquino and replace the pictures (of the Marcoses) in the classrooms and offices," the memorandum concluded.

A copy of the memorandum was made available to AGENCE FRANCE-PRESSE.

The MANILA TIMES Newspaper Tuesday asked if Mrs Aquino, who was swept to power by a popular revolt in February 1986, had "finally succumbed to the temptation of generating a personality cult" like her predecessor.

Some Marcos loyalists in the large Philippine Bureaucracy still display portraits of the former "first couple."

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CSO: 4200/655

PCGG TO PROBE ENRILE PART IN MARCOS WEALTH

HK130555 Hong Kong AFP in English 0353 GMT 13 Jun 87

[Text] Manila, 13 June (AFP)--A government commission said Saturday it was looking into opposition leader Juan Ponce Enrile's possible participation in deposed President Ferdinand Marcos's alleged plunder of the Philippine economy.

The Presidential Commission on Good Government (PCGG) denied suggestions the former defense minister was being [word indistinct] for his efforts to stir up popular unrest following the right-wing opposition's defeat in May's congressional polls.

"We are looking into the participation of all persons involved," PCGG Commissioner Mary Concepcion Bautista told AGENCE FRANCE-PRESSE, and stressed that Mr Enrile was not being singled out.

She said that of the more than 200 firms sequestered by the PCGG on suspicion that they are part of the alleged ill-gotten wealth of Mr Marcos and his allies, Mr Enrile had a major stake in at least two of them.

The commission is assessing whether it has enough evidence to go to court against all these firms, Mrs Bautista added.

She said the new constitution, which sought to limit the extraordinary powers of the commission created by President Corazon Aquino when she came to power, set a 31 July deadline for the PCGG to file civil and criminal charges in court to contest ownership of these firms.

Mr Enrile, who could not be reached for comment Saturday, was a former Marcos ally who led a popular uprising that drove him into exile in Hawaii.

He sought a seat in the 24-seat senate in May after a falling-out with Mrs Aquino in November.

According to latest figures he was hanging on in 23rd position as the count neared an end.

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CSO: 4200/655

OPPOSITION, PROMISES OF FUNDING CONTINUE ON LAND REFORM

Monsod Assures Funding

HK231137 Manila MANILA BULLETIN in English 23 Jun 87 p 17

[Text] Economic Planning Secretary Solita C. Monsod assured yesterday enough funding for the ambitious P48-billion comprehensive agrarian reform program (CARP).

Mrs Monsod made the assurance after she spoke on productivity before representatives of the 29th governing body of the Asian Productivity Organization (APO) at the Manila Hotel yesterday.

Monsod, who is also director-general of the National Economic and Development Authority (NEDA), told newsmen that the sum of P20 billion would be sourced from the sale of the non-performing assets (NPAS) now being handled by Asset Privatization Trust (APT).

Another P20 billion, she said, would come from the proceeds of the sale of the so-called "ill-gotten" wealth declared by the Presidential Commission on Good Government (PCGG). The remaining P8 billion would come from budgetary sources.

She did not discount the possibility of sourcing from foreign loans but it would be on concessional terms like what the Japanese government offers under its yen loan package.

The Philippine government has asked the Japanese Government for 80 billion yen under the 14th yen loan package. One-half of the loan package was requested to be allocated for commodity loans and the other half for development projects.

Mrs Monsod said concessional loans carry interest rate of 3 percent, the same as the Japanese Overseas Economic Cooperation Fund (OECF). External funding could also be in the form of grants, she added.

The program has been the subject of debates in different economic sectors, including farmers' organizations, and even among statesmen.

The comprehensive agrarian reform program (CARP) is a 10-year scheme which involves placing public and private lands under land reform, eyeing a retention limit of 7 hectares for each individual.



Mrs Monsod pointed out that the program is based on social equity and therefore, lands to be provided to tenant-farmers or farmer-benefeciaries under the program is not enough but needs funding for its successful implementation.

Productivity of agriculture was seen to be the lynchpin of the economic recovery program of the government. Agriculture grew by 1.3 percent during the past first 3 months of this year despite the occurrence of drought during the period, it was said.

#### PCGG Grant for Program

HK031557 Manila radio veritas in Tagalong 1130 GMT 3 Jun 87

[Text] The Presidential Commission on Good Government [PCGG] will release 2 million pesos [figures as heard] for the land reform program. This is part of the PCGG's previous promise to give a 20-million peso [figure as heard] contribution from its sequestered assets. Commissioner Quintin Doromal said there are 5 million hectares of confiscated land that will be used in the program. These lands were believed to be acquired illegally, were confiscated from the former president and his associates.

#### Aquino Addresses Landowners

HK180221 Manila Far East Broadcasting Comapny in English 2300 GMT 17 Jun 87

[Text] President Corazon Aquino yesterday [17] June--met with landowners, telling them not to think too much of their own concerns but that of others as well.

[Begin Aquino recording] Perhaps there has to be more study, but I really want to do something also that will force all of you to do more. Because, As I said, we cannot continue the way we have been doing. So many of our countrymen are really suffering and rally need our help, while we are just concerned about--perhaps some of us are just concerned about income or profit, while our less privileged people are thinking about whether they will have enough food and whether they will have a roof over their heads. So this is what I want to point out to you. You have to come up and present the government with exactly what it is you can do. Because we are committed--O a, committed--I am committed to giving a better life for our people. [end recording]

#### Fortich Warns Against Armed Opposition

HK170709 Quezon City Sports Radio 738 in English 0600 GMT 17 Jun 87

[Text] Bacolod Bishop Antonio Fortich has cautioned landowners affected by the proposed comprehensive agrarian reform program against arming themselves and taking the law into their hands. Fortich was reacting to reports that sugarmen opposed to the program have allegedly begun to [words indistinct] in Negros Occidental to protect their land holdings.

The Bacolod prelate also appealed to planters to observe restraint. He pointed out that President Aquino merely wants to protect the greater interest of the

majority of the Filipinos in the equitable distribution of wealth. Fortich said the president has ordered the holding of meetings throughout the country among different sectors of society to discuss the draft executive order on the land reform program.

#### Landowners Continue Opposition

HK220213 Manila Far East Broadcasting Company in English 2300 GMT 21 Jun 87

[Text] Landowners continue to oppose the comprehensive land reform program of President Aquino. In Lucena City, small landowners from Quezon, Laguna and Batangas objected to the program and asked the president to withhold its implementation. Meeting In Lucena City yesterday [21 June] afternoon, the small landowners said the proposed program is unjust, oppressive and prejudicial to agricultural development. Cipriano Avenido, president of the Laguna-Batangas-Quezon Landowners' Association, said they will hold mass actions to dramatize their stand. Retired Brigadier General Andres Ramos said if President Aquino signs the executive order on land reform, she will violate the constitution which provides that congress must formulate the provisions on land reform.

In Bacolod City, the proposed land reform program is also facing strong opposition from Negros Occidental landowners. The crux of the opposition is the mode of payment to the landowners. Planters said they would not agree to the 10 percent down payment and the balance payable in 10 years for their land. They also said the value of the land as assessed is also confiscatory. They said they doubt if the recipients of the land have the technical and administrative capability to make their sugar farms profitable. Sugarcane farmers predict that the sugar industry will collapse if sugar farms are included in the land reform program.

#### Negros Landowners Agree to Lacson Plan

HK040331 Manila THE MANILA CHRONICLE in English 3 Jun 87 pp 1, 8

[By Correspondent Salvacion Varona]

[Text] Bacolod City--Claiming "a civil war has been aborted," Negros Occidental Acting Governor Daniel Lacson Jr yesterday said he had convinced feuding landowners and farm workers to accept his 60-30-10 land-sharing scheme as an alternative to the sweeping land reform program being eyed by Malacanang.

Representatives of 26 planter organizations and 8 labor federations composed of some 180,000 out of 250,000 farm workers have signed an endorsement of Lacson's scheme. It will be used as basis for a summary Lacson is drawing up for submission to President Aquino.

But labor, including leaders of the Trade Union Congress of the Philippines (TUCP) and the National Federation of Sugar Workers (NFSW) agreed to continue to push for the eventual implementation of their earlier resolution calling for the dismantling of the hacienda system.

The eight major labor federations under the provincial Labor Advisory Consultative Council (LACC) also agreed to accept Lacson's proposal provided they will not be prejudiced by agrarian reform plans government may draft later.

Lacson also said that aid given by foreign governments for socioeconomic projects in Negros, including the P11 million in Canadian aid, will help shoulder the expenses for training and helping sugar workers get a start in their lands.

Lacson said he had earlier told Mrs Aquino that the proposed accelerated land reform program will cause political instability and additional unemployment in Negros.

He also told the president that since the program is to be forced on Negrense landowners, they may feel compelled to arm themselves to defend their property.

You cannot afford a formula that will displease one sector," Lacson said. "It's a very emotional issue and hardline postures will only bring us to civil war."

He called his scheme a "temporary measure to make all sectors survive until we can ensure greater restructuring of society."

Lacson had proposed to the President a 60-30-10 sharing scheme, with 10 percent mandatory for labor and 30 percent voluntary for a diversification program.

The proposal covers land mortgaged to the banks and calls for the retention of 60 percent of the province's 267,000 hectares of sugar land, the use of 30 percent for diversification, and the distribution of 10 percent at low cost to farm workers for their home and food lot modules, or the equivalent of 1,000 sq meters per permanent worker family.

Lacson placed the figure of foreclosable and heavily mortgaged plantation at 35 percent.

Lacson said, however, that his proposal involves only Negros and Panay sugar lands tilled by wage workers.

The 30 percent under the original proposal will be given up by landowners to pay for their bank debts and make their businesses financially viable again.

"It is a first step," said LACC Chairman Vicente Convite of Lacson's proposal. "(There is) no use being stubborn and end(ing) up with nothing."

Lacson said his proposal could have been implemented October last year if not for the objection of planters.

Lacson said the planters have realized now that losing 10 percent or even 40 percent of their lands is better than losing all their properties. The problem was they thought their problems would just go away without them shouldering responsibility for social justice," he explained.

## KMP Opposes Land Reform Program

HK161307 Manila Radio Veritas in Tagalog 1200 GMT 16 Jun 87

[Text] The Farmers Movement of the Philippines [KMP] strongly opposes the government's proposed comprehensive land reform because this project solely covers two kinds of land. The organization wants more consultations with other farmer alliance groups to find out how they view the land reform program. The KMP threatened to create their own genuine land reform accompanied by nationwide protests if their demands are not granted.

## Bankers Caution Aquino

HK191325 Manila PHILIPPINE DAILY INQUIRER in English 19 Jun 87 pp 1, 8

[By Vic Agustin]

[Text] The country's top bankers yesterday cautioned President Aquino against immediately implementing Phase C of the land reform program covering lands planted to sugar cane and coconut as well as aqua-culture and corporate farms.

INQUIRER sources who attended a meeting between the president and officials of the Bankers Association of the Philippines (BAP) said the bankers presented to Mr Aquino a position paper indicating their reluctance to extend credits to lands covered by Phase C of the land reform program.

A government official who spoke on condition of anonymity, agreed with the bankers. He said private commercial banks cannot use such lands for mortgage.

Besides, the source said, the immediate inclusion in the program of Phase C lands which form the bulk of the banks' agri-lending portfolio, would increase the banks' administrative work, like credit investigation, by leaps and bounds.

What also worries the bankers, the source said, is the possibility that the program "might take away an underlying security because when a piece of land is sold, Land Bank will have an encumbrance over it since the land will not be fully paid (by the farmers) until after 30 years."

Another official who also requested anonymity said sugar lands may not be covered by the land reform program the president is set to announce in an executive order on 27 July because of "too much pressure" against it.

The official said the Cabinet is inclined to allow congress to decide on the inclusion or exclusion of sugar estates in the land reform program.

The bankers' position jives with those of the Land Bank of the Philippines and Finance Secretary Jaime Ongpin.

Land Bank President Deogracias Vistan, who attended the meeting, earlier said the "economics and retention limits" of Phase C lands are different from those for rice and [word indistinct].

The 3 June draft of the Cabinet Action Committee on Agrarian Reform stipulates that all lands in excess of 50 hectares--regardless of crop types--shall be redistributed by 1 July 1990, those over 24 hectares by 1 July 1992, and those over 7 hectares by 1 July 1997.

A banker said the BAP was not against Phase C being included in the land reform program. "What we are saying is Phase C should be implemented gradually ... over a certain period of time," he said.

The 1 and 1/2 hour meeting ended without any discussion on the details of a possible rescheduling of Phase C.

Meanwhile, Ecuadorean Ambassador the the Philippines Nelson Thurdekoos, also cautioned Ms Aquino against parcelling out lands into tiny plots, suggesting instead that the government should form farmers' cooperatives.

Thurdekoos, who presented his credentials to the president yesterday, said Ms Aquino "reacted very nicely" when he recounted the Ecuadorean experience on land reform.

"In Ecuador, they made the stupidity of dividing lands into 5 hectares per family, but this could not produce enough. Now it is being worked out on a cooperative basis. People are putting their 5 hectares together," the envoy said.

Last Monday, the President met behind closed doors with landowners and told them the status quo cannot continue.

"While we are just concerned about incomes and profits, our less privileged countrymen are thinking about whether they will have enough food and whether they will have a roof over their head.

"So many of our countrymen suffer and they need our help," she said, her voice strained with emotion. "It cannot be a status quo, so we have to get some assurance from you that you will also be doing something more than what you have done in the past."

The president said she knows estate owners oppose her land reform program which seeks to benefit 2.6 million poor farmers. But she said she was committed "to giving a better life to the majority of our people."

#### Further Banker Concerns

HK051237 Manila MANILA BULLETIN in English 5 Jun 87 p 23

[By Michael M. Alunan]

[Text] The government's Comprehensive Agrarian Reform Program (CARP) is now causing jitters to some bankers over the problem of "collaterals" and "land titles," particularly in cases when landowners are heavily indebted with the banks.

"No bank will now lend you money with only 7 hectares to be mortgaged or used as collateral for a loan," Sugar Regulatory Administration (SRA) Assistant Administrator Agustin L. Kilaykoh said.

Kilayko expressed fears that "banks or financiers of these estates will immediately close their books if the land reform is pushed through down to a retention limit of only 7 hectares."

"Will the farmer-beneficiary assume the huge obligations of the landowners with the banks?" he queried, adding that "if no credit is extended, production will fall."

SRA Chairman Arsenio Yulo Jr also expressed fears of a "drastic drop in production as a resulting freezing period imposed by the banks will exist."

Agriculture Secretary Carlos Dominguez argued later, however, that the problem lies in the banking system's high dependence on collateral as the sole basis of lending out.

Nonetheless, Dominguez recognized the problem faced by the banks by declaring that he would push for "some exception for the banks from the hard-and-fast rule that nobody can own lands above 7 hectares."

He argued that "banks should be allowed to foreclose properties and consolidate titles to a property provided it is done only within an acceptable holding period of 5 years."

The 5-year holding period gives banks more room as it is an increase from the usual 1-year right-to-repurchase period set for mortgaged properties.

The banks have also been complaining that the government will only "pay up to the value," which is usually low as it is based on old taxation rates. Banks are pushing for an assessment on the market value to include inflation and improvements on a land.

Dominguez said that it is high time banks veer away from the concept of collateral value as it hampers the extension of credit to the agriculture sector.

"Collateral value should be looked into last, although most banks depend on it as it makes you sleep well at night," Dominguez said stressing further that "What is important is to look into viability of a business."

He cited the case of Taiwan, which has a "healthy private banking system" and a "successful land reform system based on a farmer-tiller" wherein the owners of a land are the cultivators themselves.

The land reform program will "force banks to change their system of lending based on business prospects of cash flow, which should be the case."

## Land Bank President Gives Warning

HK080619 Hong Kong AFP in English 0555 GMT 8 Jun 87

[Text] Manila, 8 June (AFP)--The president of a Philippine Government Bank charged with implementing agrarian reform warned here Monday that a rigid land redistribution decree could scare investors away from agriculture.

Deogracias Vistan, president of the Land Bank, speaking in a press forum, opposed a planned limit of 7 hectares (7 acres) on land retention for all farms, saying it should be made flexible according to crops.

President Corazon Aquino should save for last the redistribution of lands planted to high-value crops if she issues a land-reform law before the new congress opens in July, when she loses her decree powers, he said.

He said these products included sugar, coconut, prawns, fruits, coffee and cacao, representing about 1.2 million hectares (3 million acres) or 23 percent of the total area targeted for land reform.

The government has been urging investment in non-traditional agricultural areas like prawn farms, cacao and tropical fruit plantations.

The presidential palace last week issued a draft decree setting the retention limit of 7 hectares, regardless of crops planted. Landowners have protested this, saying the retention limit should vary according to crops.

"I think we should examine the question: Will that stifle private initiative? There's strong reason to believe it will," Mr Vistan said.

He said he would present to Mrs Aquino a draft decree calling for flexible land-retention limits.

## Business Groups Air Fears

HK191249 Manila MANILA BULLETIN in English 19 Jun 87 p 26

[Text] Certain real estate and housing industry circles expressed fears that the economy might suffer distortions if the government does not exercise caution in the implementation of a comprehensive agrarian reform program (CARP).

The repercussions of an ambitious land reform scheme, these sectors warned, could be so severe that the economy, already strained by the country's heavy debt burden, might not be able to withstand the additional loans and just give way.

Lawyer Manuel Mr Serran, chairman of the Multisectoral Alliance for Shelter and Philippine Council for Planning and Housing, said implementation of the land reform plan might lead to a hiatus of 2 to 3 years in agricultural production.

In such eventuality, he said, the consequent decrease in production would compound the supply problems, aggravate the foreign trade imbalance, and trigger a chain of widespread economic dislocations.

Serrano said that no single person, however capable, should be made to shoulder an awesome responsibility for a program fraught with debilitating effects on the economy and the nation as a whole. This could plunge the nation into turmoil from which it might never recover, he added.

Real estate and industry leaders have expressed support to a proposal calling for the improvement of the agrarian program for rice and corn lands. They said that this should be complemented by a land reform program covering public, idle, abandoned and foreclosed lands.

They also said that inclusion of non-tenanted landlords would be a distortion of the concept of social justice.

Serrano stressed that while no one disputes the necessity of agrarian reform, its mechanics should be deliberated upon with utmost care to ensure that national interest is not sacrificed.

#### Cabinet Divided on Issue

HK051314 Manila PHILIPPINE DAILY INQUIRER in English 5 Jun 87 pp 1, 10

[By Tony Bergonia]

[Text] The cabinet is divided on whether or not to include in the land reform program agricultural lands leased to multinationals--such as Castle and Cooke and Philippine Packing Corp.--for plantations and other agriculture-based businesses.

Involved are some 100,000 hectares of farmlands, much of it in Mindanao, where multinationals have set up huge plantations for various crops.

A top official involved in the program, who spoke on condition of anonymity, said the issue was one of those that remained unresolved following the cabinet meeting Wednesday.

He stressed, however, the cabinet had agreed that President Aquino should sign an executive order on land reform before congress convenes.

The official said the administration is considering three options on lands leased to multinationals:

--Terminate the lease agreements on the effectivity of the Comprehensive Agrarian Reform Program (CARP).

--Extend the leases until 1992.

--Allow the lease agreements to terminate and then renegotiate.

The question of whether more public hearings should be held on the program was resolved Wednesday when the president ordered the holding of a second series of public consultations.



Department of Agrarian Reform [PAR] officials disclosed that six teams from several government agencies have been formed to conduct the nationwide consultations set to begin next week. The first has been scheduled for Monday at the Asian Institute of Tourism building in Quezon City.

While saying that the first round of consultations were "not unsuccessful," the official said the second series of public hearings are designed to respond to landowners' clamor that they be consulted.

The official also admitted there was a "strong lobby" against land reform from landowners but said there are pro-farmer cabinet members "who are determined to push through with land reform."

Apart from the matter of the multinational plantations, the official said that the 10 issues which "divided" the cabinet during its meeting with Ms Aquino on 28 May, 2 have remained unresolved:

--The feasibility of applying land reform to all agricultural lands regardless of crops, as against implementing the program on a selective, "crop-to-crop" basis.

--Doubts on the amount and the computation of the value of the lands, which would become the bases for payments to landowners.

Wednesday the cabinet revised the draft executive order and extended the deadlines for the transfer of lands from 1 July 1989 to 1990 for lands over 50 hectares; from 1990 to 1992 for lands over 24 has; and from 1992 to 1997 for lands over 7 has.

Other changes made in the draft order were:

--The compulsory registration of all landowners was extended from 120 to 180 days upon the effectivity of the order.

--The basis for just compensation to landowners was altered from the prevailing market value as determined by the provincial or regional assessor to the amount to be declared by the government "based on the owners' declaration of fair market value."

--The deadline for the optional voluntary transfer of lands to the actual tillers was extended from 1 July 1991 to 31 December 1993.

DAR sources remarked of the revised draft order that the landowners' lobby has succeeded in altering important aspects of the land reform program.

The draft order is expected to undergo even more revisions after the second round of public hearings.

Dole Plantation Asks Exemption

HK110217 Manila Far East Broadcasting Company in English 2300 GMT 10 Jun 87

[Text] Dole Philippines Incorporated is battling for the exemption of pineapple and banana plantations, as well as coffee and rubber, from the land reform program. Dole officials said the economy [words indistinct] is necessary for the cultivation of these plantations to make their own operations viable. They said the division of big plantations into smaller parcels of land would be counter-productive.

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CSO: 4200/656

PROPOSAL TO ARM BARANGAY OFFICIALS IN MANILA REPORTED

Ferrer Opposed

HK191121 Quezon City MALAYA in English 19 Jun 87 pp 1, 2

[By Butch Fernandez]

[Text] Mayors in 4 cities and 13 towns of Metro Manila have asked the Capital Regional Command [Capcom] to provide service fire-arms to barangay officials to put teeth in the government's counterinsurgency drive against Sparrow units of the New People's Army operating in the metropolis.

In a resolution unanimously adopted Wednesday, Metro Manila Commission [MMC] Governor Jejomar Binay and all 17 metro mayors also asked the Capcom chief, Brigadier General Alexander Aguirre, to provide the necessary training to barangay men who will be licensed to carry arms.

A copy of the resolution has been forwarded to the Capcom chief.

"We are awaiting Aguirre's response," an MMC source said.

The move, however, immediately drew opposition from Local Governments Secretary Jaime Ferrer who warned that "arming civilians is not the solution." Ferrer is a staunch advocate of the "unarmed" counterinsurgency strategy.

"I am totally against it," Ferrer said. "It is the job of the military and the police to do the fighting."

He said arming civilians "could very well be the source of other problems." He said the local polls are going to be held soon, and "we do not want the people to suspect that we are arming them (barangay officials) for election purposes."

The Metro Manila mayors resolution also sought the reactivation of the Barangay Security Force which used to be headed by former First Lady Imelda Marcos as then MMC governor.

The Barangay Security Force was organized during the Marcos regime to foil feared NPA attacks in the metropolis.

Binay earlier said the proposal to arm barangay officials would be carried out on a case-to-case basis.

"There will be no proliferation of firearms in the barangays," Binay said, adding he fears "bakamapunta naman sa abuso (it may lead to abuse)."

Binay said training would be provided by Capcom authorities with the INP [Integrated National Police] giving the psycho-physical tests to barangay men who would be issued arms.

Among the barangays listed for arming are the poor areas in the metropolis where the insurgents reportedly have established safe houses where they hide out after a "strike" or an armed operation.

MMC officials did not identify the barangays but said these blighted and depressed localities are known havens for NPA rebels who are looked up to as "Robin Hoods."

Barangay officials may be good "for intelligence gathering" Ferrer said, but added arming them would be a totally different matter.

Ferrer said civilian support by way of supplying vital information to the military and the police forces has proven to be effective to beat the insurgents where such cooperation has been worked out between the citizens and the armed forces.

In a phone conversation with Binay, Ferrer cautioned MMC officials against pushing through with the plan.

"Wala pang training ang mga 'yan (barangay men). Madaling disarmahan. Aagawan lang sila. Eh, baka lalo lang dumami ang baril ng mga NPAS," Ferrer told Binay. (They are not trained. They can be easily disarmed. The rebels will grab their arms. The NPAs may only increase their arms.)

Ferrer said he would hold the mayors responsible for these armed barangays. "They (OICs) [Officers in Charge] should supervise these people closely," he said.

Ferrer also endorsed the initiative of some barangay chairmen and concerned citizens who have organized themselves to help combat the Sparrow units in the Metro Manila area.

City Hall sources said the group calling itself the Association of Democratic Vigilantes and Concerned Entrepreneurs (ADVANCE) was organized at the initiative of barangay leaders as a spontaneous response to President Aquino's call last 12 June during her Independence Day speech for such citizens action.

Ferrer said he favors the methods of ADVANCE because it is similar to the unarmed civilian self-defense organization program the local government department is encouraging.

We have proven in Davao del Sur that the unarmed Nakasaka [People United for Peace] self-defense program is highly successful," Ferrer said.

During his phone conversation with Binay, Ferrer sought to convince the MMC official to withhold implementation of the arm-barangays plan, saying, "hindi pa dapat (it's not yet necessary)."

"Maaalarma ang mga tao," he said (people will be alarmed).

Ferrer said he believes that the NPAs do not yet have the capability to launch a massive attack on the metropolis. "We are just going through the 'psy-war' phase but I don't think they (NPAs) have the capability to raid Metro Manila.

"Nandito lahat ang armed forces ng gobyerno," he said. (All the armed forces of the government are here.)

Binay said he is sending a letter to General Aquirre this morning supporting the Metro Manila mayors' stand that barangay officials whose lives are "in danger" should be armed.

Earlier reports said a number of barangay councilmen in Metro Manila have been included in an alleged NPA "hit list," Binay explained. Then added, however, that he favors the arming of barangay man on a case-by-case basis, to be determined by PC [Philippine Constabulary]-INP officials.

Binay said barangay leaders recommended for arming must meet certain conditions. Among these are that their lives are in actual danger from communist elements as verified by intelligence reports; that they are psychologically and physically fit to possess such firearms; and that they have no derogatory records.

Binay told MALAYA that the fire-on [as published] a temporary basis and would be returned to the authorities "after the crisis."

#### Metro Governor Offers Limited Support

HK171320 Manila MANILA BULLETIN in English 17 Jun 87 pp 1, 19

[By Isabel de Leon]

[Text] Barangay leaders will be armed to help the government fight armed insurgents in Metro Manila.

This was announced yesterday by Metro Manila Governor Jejomar C. Binay during the "Bulung Pulungan" [meeting] forum at the Philippine Plaza Hotel.

However, Binay said guns will be distributed to the barangay leaders by their respective police commanders on a case-to-case basis.

The background of the barangay leaders will be thoroughly checked, Binay said.

The forum was held in the wake of recent killings of law enforcers by suspected members of the New People's Army (NPA) Sparrow units.

Binay also revealed a plan by NPA urban terrorists called "Operation Hilera" on the killing of traffic policemen in the streets.

He added that intelligence agents in all four police districts in Metro Manila are monitoring the activities of known sympathizers.

Brigadier General Alfredo Lim, Western Police District (WPD) chief, said most of the policemen killed were ordinary targets and the gunmen were not from Metro Manila but from Bulacan, Pampanga, Bataan, Laguna, and Quezon.

Brigadier General Manuel Roxas, Eastern Police District (EPD) chief, said the NPA Sparrow unit members are killing policemen because they (the policemen) are symbols of the government.

The EPD chief said his police force, which adopted the "buddy-buddy system, has deployed off-duty policemen in plainclothes to guard lawmen on duty. (no closing quotes as published]

He said the common attitude of the lawmen is that "if the NPAs get one of us in an ambush, we will also get one of them."

Roxas said some NPA terrorists are from far provinces, like Davao.

After each killing, the suspects flee to the hills, he added.

Lim said Dino, WPD theft and robbery section chief, was gunned down last 5 June in Tondo by NPA hit men accompanied by communist sympathizers.

Lim said the NPA's Alex Boncayao brigade admitted responsibility for the killings.

The two police superintendents also noted some patterns in NPA killings. Most of them were staged with the help of local criminals, he said.

The killers shouted slogans like "Mabuhay ang NPA! Mayroon siyang utang sa bayan. Mabuhay ang bagong hukbo ng bayan!" (Long live the NPA! They have a blood debt. Long live the New People's Army!)

If the NPA target had a .45 caliber pistol or an Armalite, the terrorists would kill him with the same weapon, probers said.

"We have adopted overt and covert security operations. Policemen will check suspicious looking persons and take their pictures and fingerprints," Lim and Roxas said.

During the forum, a total of P1,710 was collected from media people to be donated to the police widows' fund.

#### Mayor Opposes Arms, Favors Network

HK170707 Quezon City Sports Radio 738 in English 0600 GMT 17 Jun 87

[Text] Manila Mayor Mel Lopez Jr today organized the 905 Barangay units in the city into a vast network of civilian monitors to report the presence of

strangers in their respective areas, improve peace and order, and carry out his plan to cut the support of organized civilians in the counterinsurgency campaign of the city government. Added details now from Mars Encarnacion.

[[Begin recording] At least 710 of the barangays are already organized [passage indistinct]. Lopez' action is in response to the administration's call for concerted actions to deal with the problems of insurgency and terrorism in [words indistinct]. Lopez however said that he was not in favor of arming the barangay leaders in the meantime.

Lopez called the setup he has organized, through Executive Order, Bantay [sentinel] Civilian-Police Tie Up. Barangay reports are to be submitted confidentially to Lopez himself and the western police district to protect barangay officials from reprisals. [passage indistinct] [end recording]

#### Justice Secretary Opposed

HK200226 Quezon City Radyo ng Bayan in Tagalog 0330 GMT 20 Jun 87

[Text] On vigilantes in Manila, Justice Secretary Sedfrey Ordonez also opposed the plan to arm barangay officials against insurgents. He said that the government will find it difficult to justify the possible future violations. Ordonez criticized the earlier position of Local Government Secretary Jaime Ferrer, saying that arming civilians was not a solution.

On the other hand, Capcon [Captial Regional Command] Chief Brigadier General Alexander Aguirre said that under the constitution, barangay officials are considered as persons of authority and are automatically allowed to carry arms.

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CSO: 4200/656

MILITARY SAYS NPA RANKS DOWN 5 PERCENT

HK171322 Manila MANILA BULLETIN in English 16 Jun 87 p 1

[Text] The New People's Army (NPA) ranks have decreased by 5 percent in the 1st quarter of 1987, according to military intelligence.

Brigadier General Antonio R. Samonte, chief of staff for intelligence, reported to General Fidel V. Ramos, armed forces chief of staff, that the decrease was perceived in Regions 6, 8, 10, and 11.

Samonte said that the NPA strength had gone down from 24,430 to about 23,260 men at the end of March 1987.

He reported that out of the remaining NPA members, at least 10,250 have already been identified by their true names, 8,820 by their aliases while the remaining 4,190 are still unidentified.

He attributed the decrease in the NPA ranks on the following:

- Battle casualties with 916 NPA members killed, captured or surrendered.
- Slackening in recruitment drives.
- Proliferation of anti-communist groups.
- Discovery of NPA "killing fields."

The report added that the communist guerrillas have not at least 12,288 firearms. The figure increased by 1.4 percent the estimated 12,116 firearms in their possession in 1986.

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CSO: 4200/655



DIRECTOR SAYS BISHOP ELECTED REGIONAL NDF CHAIRMAN

Provincial Surrender Reported

HK181005 Hong Kong AFP in English 0944 GMT 18 Jun 87

[Excerpt] Tandag, Philippines, 18 June (AFP)--A Roman Catholic bishop has been elected regional chairman of the communist-led National Democratic Front (NDF) coalition, a communist rebel who surrendered to the government has claimed.

The former rebel, who claimed to have been a ranking NDF political leader, said that Monsignor Ireneo Amantillo, bishop of the southern province of Surigao del Sur, has been unanimously elected regional NDF chairman in an election held at a church building here.

The bishop was not immediately available for comment. The Catholics Bishops Conference declined to comment on the report.

The former rebel, who declined to be identified, was speaking during a formal surrender ceremony held in the town square here Wednesday.

During the ceremony, other former rebels denounced religious groups for supporting and participating in activities of the NDF's armed wing, the New People's Army (NPA), but did not name the religious groups involved.

About 1,200 former insurgents, largely political members and sympathizers, were said to have surrendered Wednesday although only about 500 could be seen participating in the ceremony and only about 7 guns were turned in.

Dozens of Catholic priests and nuns have joined the communist insurgency in the Philippines and the military has accused several religious orders of actively supporting the NDF and the NPA.

Bishop Denies NDF Chairmanship

HK191241 Hong Kong AFP in English 1211 GMT 19 Jun 87

[Excerpt] In the southern city of Cagayan de Oro, a Roman Catholic bishop rejected charges that he had been elected chairman of the CPP-led National Democratic Front for the southern island of Mindanao.

"Far too many talk and rumors are stemming from alleged revelations of supposed rebel returnees," Bishop Ireneo Amantillo told fellow church leaders gathered at a conference in the city.

He was referring to an accusation made by a self-proclaimed communist leader who surrendered to the government Wednesday.

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CSO: 4200/656

MILITARY CONFIRMS RENEGADE PRIEST NAVARRO SLAIN IN CLASH

HK121331 Manila THE MANILA CHRONICLE in English 16 Jun 87 p 3

[Text] Cagayan de oro City (PNA)--The military yesterday confirmed the killing of renegade priest Fr Francisco Navarro in an encounter with army troopers in San Miguel Town, Surigao del Sur, on 7 June.

The confirmation came after elements of the 28th Infantry Battalion captured a guerrilla camp allegedly led by the dead priest in Barobo, another town of Surigao del Sur, last Saturday.

At least 25 rebels, excluding Navarro, were killed and several other wounded in last Saturday's gun battle which lasted 4 hours.

The dead were believed members of a 200-strong main guerrilla force monitored earlier to have been gurdng for a "military tactical offensive" to avenge the priest's death.

At least two units--the 28th and the 58th Infantry Battalions--were engaged in counterinsurgency operations in the border of Agusan del Sur and Surigao del Sur in the northesaternmost portion of Northern Mindanao Region.

Brigadier General Mariano Adalem, Regional Unified Command (RUC-10) chief, said soldiers from the 28th Battalion were pursuing a smaller dissident band when they encountered the main guerrilla force in Marobo.

This bigger force were earlier reported soliciting "logistics" from the logging companies in Prosperidad, Agusan del Sur, apparently preparing for a massive offensive against the military.

Military files showed that Navarro joined the underground movement in 1983 and was believed one of the organizers of the dreaded "Pulang Bagani" communist hit squads in the region.

Navarro also was one of the representatives of the Communist Party of the Philippines (CPP) in peace talks with the government.

Adalem said the Barobo encounter was the biggest in the region since the 60-day ceasefire between the government and rebels expired last 8 February.

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CSO: 4200/655

PHILIPPINES

GOVERNMENT REPORTS ECONOMIC CONDITIONS IMPROVING

HK181355 Manila MANILA BULLETIN in English 18 Jun 87 p 20

[Text] The government reported yesterday a continuing improvement of economic conditions as perceived through various indicators being watched by the Department of Labor and Employment (DOLE).

In a report, Dole said that the accession rate of labor turnover in selected manufacturing industries in Metro Manila in January 1987 was 3.47 percent against 2.89 percent for the same month of 1986.

It added that the separation rate in January this year was also lowered to 1.45 percent from 2.64 percent during the same month, last year.

The report, prepared by the DOLE's Labor Statistics Service (LSS), also said there were only 65 establishments which resorted to shut-downs and retrenchments because of economic reasons in March this year, down from 96 in January and 67 in February.

Permanently separated workers in March totaled 864 and temporarily laid-off were 57, down from 1,575 and 428, respectively, from the previous month.

Establishments resorting to reduced worktime because of economic reasons in March this year were only four, down from eight in February.

Workers affected by reduced worktime because of economic reasons were 154 against 286 in February.

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CSO: 4200/655

LABOR DEPARTMENT NOTES FEWER STRIKES, MORE JOBS

HK221453 Manila MANILA BULLETIN in English 22 Jun 87 pp 1, 14

[By E.T. Suarez]

[Text] The country's economic conditions continue to improve as indicated by lesser number of strikes, fewer business firms resorting to shutdowns and re-trenchment, and increased job opportunities locally and abroad, the Department of Labor and Employment (DOLE) said yesterday.

Acting Labor Secretary Ricardo C. Castro said from January to 15 June this year, the number of workers involved in strikes was down to 48,483 from 110,843.

Castro said about 90 percent of labor disputes that were disposed of were amicably settled, enabling the business firms concerned to operate at full capacity.

He said the number of workers laid off this year also plunged to a low 8,158 from a high of 30,372 and 23,446 in similar periods in 1984 and 1985.

"Local job opportunities improved by 23.1 percent while overseas placements registered an increase of 17.6 percent from a year ago level of 130,158 to 152,997," Castro said.

Citing a report prepared by the Labor Statistics Service (LSS), Castro said that in Metro Manila alone, only 65 establishments resorted to shutdowns and retrenchments because of economic reasons in March this year, down from 96 in January and 67 in February.

Permanently separated workers in March totaled 864 and those temporarily laid off were 57, down from 1,575 and 428, respectively, from the previous month.

Castro added that firms resorting to reduced worktime because of economic reasons in March this year were only four, down from eight in February.

Workers affected by reduced worktime because of economic reasons were 154 against 286 in February, he added.

He said more workers are expected to have jobs with the release by DOLE of P550,000 to help finance the income-generating projects of working youth aged 15 to 24.

Director Aura Sabilano of the Bureau of Women and Young Workers [WYW] said the amount will be loaned to individuals or groups at the rate of P5,000 per group of P1,000 per individual.

In the case of group applicants, Sabilano said the head or chairman of the group will be the grantee of the loan on behalf of the group members.

She said all loan applications must be accompanied by a feasibility study or project documents recommended by the WYW coordinator and duly approved by the regional director.

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CSO: 4200/655

NATIONAL FOOD AUTHORITY REDUCES CORN IMPORTS

HK171519 Manila MANILA BULLETIN in English 16 Jun 87 pp 21, 22

[By Michael M. Alunan]

[Text] The National Food Authority (NFA) reduced yesterday its controversial corn imports from Thailand from 50,000 metric tons to only 25,000 metric tons following initial reports that early corn harvests from Bukidnon, Pangasinan and Cotabato have already hit the market.

Agriculture Undersecretary and NFA Administrator Emil Ong announced this yesterday as feedmillers who clamored for the corn imports managed to beat a 10 per-cent down payment deadline yesterday.

The imports, along with the initial harvests, are sent to flush our corn stocks hoarded by unscrupulous traders who have taken advantage of the huge shortage caused by the recent long dryspell.

Ong said that the corn imports valued at a landed cost of P3.30 per kilo, including freight and taxes, will arrive by the end of the month. This will cost NFA a total of about P82.5 million.

He said that the imported corn will be sold at P4 per kilo, lower than the P4.35 a kilo earlier agreed upon with some farmers' groups. This will mean a local gross sale of P100 million.

Ben Cruz, chairman of the Farmers' Alliance [word indistinct] which reported initial harvests of corn, said that the P4.35 kilo price was set even higher than the P4.20 a kilo domestic price in a move to flush out first all the local corn available.

The higher price was also set to protect farmers from dampened prices of imported corn.

Ong reasoned out, however, that most of the corn stocks are no longer with the farmers but are in the hands of traders. And at the slightly lower price of P4 and the supply pressures from the initial harvests, traders will be forced to dispose of their stocks of corn.

The NFA chief also said that the NFA has also waived a requirement for feed-millers to open up domestic letters of credit (LC) as these subjected the latter to a 14 percent interest rate and a high 20 percent marginal deposit.

The government has been criticized recently for reversing its "no corn import" policy and for reducing its proposed resale price of imported corn from P4.35 to P4 per kilo, following pressures from feedmillers.

Buenaventura S. Granada, a Federation of Free Farmers (FFF) official, said that the reduction in the selling price, much lower than prevailing domestic prices of corn, will effectively reduce farmgate price by 10 to 20 centavos per kilo to the disadvantage of the farmers.

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CSO: 4200/655



GARMENT, TEXTILE EXPORTS RISE 42.63 PERCENT

HK171503 Manila MANILA BULLETIN in English 17 Jun 87 p 23

[Text] The country's garment and textile exports for the first 5 months of the year reached \$420.9 million, or 42.63 percent higher than the previous year's \$295.09 million.

Garments and Textile Export Board Executive Director Gloria Macapagal Arroyo indicated that although the growth rate of exports to non-quota countries slightly outpaced that of the quota countries, the latter still dominated the markets for locally-made garment and textile products.

Arroyo cited the country's exports to quota countries during the 5-month period which amounted to 354.5 million, an increase of 41.24 percent from \$251 million posted in the same period last year.

Of the amount, she reported the United States imported \$244.3 million, or 27.92 percent more than last year's level of \$191 million. The European Economic Community also doubled its importation to \$92.7 million from \$46.5 million in the same period.

In terms of growth rate, however, other quota countries showed substantial gains. One is Sweden, which absorbed \$2.09 million worth of locally-made garments and textiles as against the previous year's \$918,000 while Austria took 1.7 million compared with \$619,246 registered in the comparative period last year. Norway accounted for \$1.38 million, which is 62 percent higher than its \$845,493 worth of garment and textile imports during the 5-month period in 1986.

The Philippines likewise exported some \$12.3 million to Canada, making it the third largest quota market for garments and textiles. Last year, it contributed \$11.1 million to the industry's total export earnings.

Arroyo said that the country has yet to fully tap the potentials of the non-quota markets which accounted for only \$66.37 million of the garment and textile exports from January to May.

But we are already gaining inroads to these markets considering the 50.58 percent improvement from the previous year's \$44.08 million share," she said. She zeroed in on Japan, which ranked far third among the top export markets of the Philippines, both quota and non-quota. Japan, during the first 5 months, imported \$13.51 million from last year's \$11.09 million.

BALANCE OF PAYMENTS SURPLUS BELOW PROJECTIONS

HK210917 Manila PHILIPPINE DAILY INQUIRER in English 21 Jun 87 p 22

[By Oscar M. Quiambao]

[Text] The country's balance of payments (BOP) position during the first 3 months of the year fell short of government's projections, reflecting a surplus of only \$81 million, the Central Bank's [CB] first quarter report said.

The report still has to be submitted by CB Governor Jose B. Fernandex Jr to President Aquino.

The report, a copy of which was made available to the INQUIRER, showed that the first quarter BOP surplus, including the debt resheduling, was substantially lower than the positive \$527 million recorded in the last 3 months of 1986 and 66.1 percent lower than what was recorded a year ago.

Without rescheduling, the overall BOP would have yielded a deficit of \$282 million. The country resheduled last March about \$13.2 billion of its debt with its creditor banks.

The BOP summarized the country's international transaction, including commodity and services exportations and importations, capital inflow and outflow, and gold movements.

The BOP thus shows the balance in the country's current account consisting of the inflow and outflow of foreign exchange through merchandise and non-merchandise trade and transfers, and capital account which includes movements in foreign loans, direct investments, net short-term capital and errors and omissions.

The BOP surplus was below expectations between the current account posted a \$100 million deficit compared to the \$83 million surplus realized in the same period a year ago.

The current account deficit was also a big letdown from the \$215 million surplus recorded during the last quarter of 1986.

The deficit, though, was offset by a bigger surplus in the capital accounts which amounted to \$158 million during the period.

Bulk of the improvemtn was traced to the short-term capital account which reversed to a positive balance of \$31 million from a negative \$114 million in the same period last year following lower repayments of loans.

The huge shortfall in the current account, which is the main component of the BOP, was attributed to the contraction in service receipts, expansion in invisible disbursements, higher imports and lower transfers.

The report said earnings from services amounted to \$800 million as against total disbursements of \$805 million. The income, which is a 10.3 percent drop from last year's level, was blamed on reduced receipts from travel.

Although exports during the period rose by 10.1 percent to \$1.214 billion, imports receipts shot up to \$1.396 billion, exceeding the previous year's level by 10.9 percent.

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Although exports during the period rose by 10.1 percent to \$1.214 billion, imports receipts show up to \$1.396 billion, exceeding the previous year's level by 10.9 percent.

The report said net inflows from transfers fell to \$87 million from \$102 million a year ago due to reduced personal remittances and proceeds of bilateral aid agreements.

In the merchandise trade account, the deficit rose to \$182 million, 16.7 percent higher than in the comparable period a year ago.

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CSO: 4200/655

\$29 BILLION FOREIGN DEBT EXPECTED AT YEAREND

HK191335 Quezon City MALAYA in English 19 Jun 87 p 9

[Text] The country's \$28.256-billion foreign debts as of end-1986 is estimated to increase by \$786 million to \$29.042 billion this year and by \$5.567 billion to \$33.823 billion by the end of the 5-year economic development plan in 1992.

Documents from the Department of Finance attributed the projected increase in foreign debts to additional borrowings needed to finance new development projects, increased interest payments, and revaluation of yen-dominated loans.

The documents also said that the increases in foreign debts effectively raise the country's debt service burden, before the rescheduling of official and commercial loans, by 49 percent to \$4.384 billion this year from \$2.936 billion in 1986.

But actual debt service burden will be reduced by 6.2 percent to \$2.753 billion this year from \$2.936 billion in 1986 after the rescheduling of \$760-million official loans and \$10.3-billion commercial loans.

The documents also projected that total foreign loans will reach \$29.299 billion in 1988, \$29.872 billion in 1989, \$31.007 billion in 1990, \$32.36 billion in 1991 and \$33.823 billion in 1992.

The debt service burden after rescheduling will be \$2.863 billion in 1988, \$2.778 billion in 1989, \$3.572 billion in 1990, \$3.744 billion in 1991 and \$3.731 billion in 1992.

The decreasing debt service burden to GNP ratio theoretically means that the country can service its debt "comfortably."

The documents projected that the ratio of the debt service to GMP after debt rescheduling will be changed from 9.91 last year to 8.48 percent this year, 7.96 percent in 1988, 7 percent in 1989, 8.13 percent in 1990, 7.7 percent in 1991, and 6.93 percent in 1992.

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CSO: 4200/655

MANILA STOCK MARKET SURGES TO RECORD HIGHS

HK181233 Manila THE MANILA CHRONICLE in English 18 Jun 87 p 9

[By staff member Raul Marcelo]

[Text] The stock market continued breaking records yesterday in bullish trading which saw the Manila Exchange posting its highest cash turnover for 1987 and the mining price indicator setting a new historical high.

Philippine Long Distance Telephone Co. (PLDT) shares yesterday set an all-time high of P600 per share after opening at P590. SMC [San Miguel Corporation] is also at a historical high of P120 per share, while its class "B" stocks have risen to P186 each from Tuesday's P171.

The skyrocketing of PLDT share prices has been incredible: it was priced only at P36 per share in January last year and reached P312 per share in October last year.

Manila experienced its busiest day for the year when some 785.57 million shares changed hands for a high P118.06 million. With Makati adding another 339.46 million shares for [?P33.67] million, combined transactions reached 1.12 million shares worth P153.73 million.

It was however the price surge in mining stocks which highlighted yesterday's trading. The Manila mining price average closed at 5,682.48 which, aside from reflecting a record 1,452.85-point advance in 1 day, broke the mining sector's all-time high of 4,739.92 established on 16 July 1974.

Traders explain the shining performance of mining stocks less on the surging metal prices abroad, but more on the entry of institutional investors which see in local mining companies increased profitability following the stabilization of gold at \$450 an ounce and copper at 70 U.S. cents a pound. Gold closed yesterday in New York at \$447.70 an ounce, while copper settled at 70.80 cents a pound.

The mining price climb is being paced by these companies which are believed to gain much from the current metal prices. Benguet Corp., the country's largest gold producer, rose to P95 per share from P90 last Tuesday; Philex Mining, from P0.48 to P0.49; Surigo Mining, from P0.16 to P0.19, and Apex Mining, from P0.065 to P0.0675.

Traders were also elated at the apparent confidence shown by foreign and local institutional investors in a number of local stocks.

Just yesterday, the James Capel and Co., one of London's largest merchant banks, brought 1,055,800 shares of stock of Jardine Davies for P17.95 million or at P17 each. Jardine Davies was last traded at P15 per share. The transaction was handled by the Barcelon-Roxas Securities, Inc. (BRSI).

Brokers said that institutional buyers are entering such stocks at PLDTO San Miquel Corp. (SMC) and Benguet Corp.--issues which are considered safest for these conservative investors.

Other commercial-industrial stocks are also following suit. A Soriano Corp. (Anscor) inched further to P4.85 from P4.75, Ayala Corp., from P7.70 to P7.80; engineering Equipment, Inc. (EEI), from P2.26 to P2.42 and Atlas Fertilizer Class "B," from P4.65 to P4.80.

But borkers were more delighted when the market is looked at in its entirety and not on a sectoral or company basis.

They said that when the presence of institutional investors, stabilized metal prices, entry of fresh funds to sustain the market, buying interest generated by the blue chips and investors' longer-term view of the market occur at the same time, the bull market is on.

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CSO: 4200/655

STAR REPORTS MIXED REACTIONS TO INVESTMENT CODE

HK121511 Manila THE PHILIPPINE STAR in English 12 Jun 87 p 6

[By Chito Lozada]

[Text] The private sector reactions to the cabinet approval of the Omnibus Investments Code were mixed.

The Cabinet approved the Department of Trade and Industry [DTI] prepared code last Wednesday, banking on it to bring more investments into the country.

The Philippine Chamber of Commerce and Industry (PCCI) said that the code will set the ground rules for foreign investors' entry into the country.

Aurelio Periquet, PCCI chairman, said that the code will enhance the investor's confidence in the country. Foreign investors are hesitating to come into the country because of its "unstable investment policies," he said.

The National Economic Protectionism Association (NEPA), on the other hand, said that the code is "pro-monopoly, pro-capital intensive, pro-rich and anti-labor."

A study made by NEPA's Bureau of Economic Research said that the "measured capacity concept" in the code will not remove over-crowding of businesses in preferred investment areas.

It said that the so-called oligopolistic character domestic economy, in which large firms dominate and dictate the rules in business, can use "measured capacity" to kill small businesses.

The measured capacity concept in the code will empower the Board of Investments, under the DTI, to determine how many firms can go into preferred business areas.

Firms in the "measured capacity" investment areas will get incentives from government which are spelled out in the investments code.

The PCCI, However, supports the measured capacity concept. It said the concept can provide guidelines to different industries "as to how and when investments can be maximized."

Periquet said that an unlimited number of firms in a certain industry can result in "excess capacity," a waste of resources.

UP [University of the Philippines] School of Economics Professor Felipe Medalla, on the other hand, said that the code is giving too much to "rich foreign investors," is adding to government intervention in the economy, which can tell on the economy's efficiency.

Medalla explained that the various tax exemptions and incentives provided in the code can slash government revenues, which in turn can force the government to impose new higher taxes "on the rest of the economy."

Medalla criticized the provision for "compulsory arbitration" in the code, in labor-management disputes in BOI [Board of Investment] registered firms.

"What was removed from the Labor Code (the compulsory arbitration) by the Aquino Government is brought back in the Omnibus Investment Codes," he said.

He fears that the code is biased against small business since the BOI is to pick businesses that get the incentives, through project studies. With this requirement, small businessmen probably will not bother to apply with the BOI, since project studies are expensive compared to sales of small firms.

He also said that the code "is biased in favor of the Trade and Industry Department," noting the trade and industry secretary and his undersecretaries can be made concurrent governors of the BOI.

A consumer group, for its part, said the cabinet's approval of the code, "betrays the government's pro-foreign business stand." The Citizens' Alliance for Consumer Protection (CACP) said that small Filipino businesses will not benefit from the code.

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CSO: 4200/655



MANILA BULLETIN HAILS APPROVAL OF INVESTMENT CODE

HK121415 Manila MANILA BULLETIN in English 12 Jun 87 p 6

[Editorial: "Investment Code"]

[Text] The approval by the cabinet of the long-awaited Omnibus Investment Code promises to improve the investment climate in the country.

As visiting groups of American and Japanese businessmen have pointed out, such a document is needed to give direction to investment and to set out the parameters for business and industry. According to the same groups, investment inducements have to be defined to spur local and foreign businessmen to venture into enterprises here.

The code, as pointed out by Trade and Industry Secretary Jose Concepcion Jr, provides five salient incentives: 1) income tax holiday for enterprises in "preferred areas," 2) tax deduction for "additional direct labor expenses," 3) deduction of 50 percent from the income tax of firms in the process of expansion on the score of incremental direct wages for skilled and unskilled workers, 4) appointment of a private sector representative to the Board of Governors of the Board of Investments, and 5) consolidation and clarification of incentive schemes for enterprises in less developed areas and in processing zones.

The hope is that congress will lose no time in studying and enacting legislation in aid of the Omnibus Investment Code, having constant regard for the continuing requirements of the economic recovery program of the Aquino administration.

It is of the utmost importance that the Department of Local Governments look after the observance of the code in provinces, cities, and municipalities. Local authorities are notoriously prolific in creating irritants and disincentives for business and industry.

The government should, by all means, follow through on the initiatives embodied in the Omnibus Investment Code.

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## BRIEFS

IMPROVED EMPLOYMENT SITUATION--The government reported improvement in the country's economic condition based on new indicators monitored by the Department of Labor and Employment [DOLE]. According to the DOLE reports, the number of workers taken on in factories in Metro Manila has gone up compared with the same period last year. At the same time, the number of unemployed has decreased since January. The DOLE added that fewer companies have closed down since January. [Text] [Quezon City Radyo ng Bayan in Tagalog 0330 GMT 17 Jun 87 HK] /12232

MILITARY'S ALLEGIANCE TO CONSTITUTION--Defense Secretary Rafael Ileteo has urged all soldiers to show the world that they are peaceful, freedom-loving, and law-abiding citizens. Ileteo issued the call while administering the oath of allegiance to the newly ratified constitution by the military throughout the country. Ileteo and armed forces chief General Fidel Ramos led the 250,000-strong armed forces in pledging allegiance to the new constitution. [Text] [Baguio City Mountain Province Broadcasting Company in English 0330 GMT 17 Jun 87 HK] /12232

BRITISH DELEGATION--Japanese Foreign Minister Tadashi Kuranari is scheduled to arrive in Manila tomorrow for a 2-day visit. Kuranari will hold talks with President Aquino and other top government officials on bilateral issues and international matters of mutual interest. The Kuranari mission will be followed on 24 June by another led by Deputy Foreign Minister Yuhji Morita. Morita's delegation will hold sub-ministerial consultations with Philippine counterpart led by Foreign Undersecretary Manuel Yan. An 11 man trade mission from the British Agricultural Council is arriving in Manila tomorrow to look at investment possibilities in the agricultural sector and to seek agents. The mission which will stay in the country up to 26 June is led by David Brock, the country area executive. Most of the participating companies are engaged in livestock, aquaculture and animal husbandry. Representatives will be calling on government agencies involved in various aspects of agriculture as well as officials of the Asian Development Bank and non-governmental bodies. [Excerpt] [Quezon City Sports Radio 738 in English 0100 GMT 20 Jun 87 HK] /12232

PRIVATIZATION OF FOOD AUTHORITY--The country's businessmen are seeking ways to change the National Food Authority [NFA] into private ownership. The move aims to remove government control in areas where the private sector is already engaged. At the same time the traders claim that the government is losing as much as 2 billion pesos yearly. In addition, the NFA privatization will fulfill the government's commitment to foreign creditor banks. [Text] [Baguio City Mountain Province Broadcasting Company in English 0330 GMT 22 Jun 87 HK] /12232

EXPORT PROCESSING ZONE'S EARNINGS--Export earnings of the existing regular free trade zones in the country during the first 4 months of the year rose by 61.02 percent to \$109.8 million from \$68.19 million during the same period last year. Export Processing Zone Authority (EPZA) Administrator Jaime L. Guerrero reported that the Baguio City Zone raked in sales of \$63.22 million during the 4-month period. The 10 firms based at the Baguio City Export Processing Zone only had \$31.69 million in foreign exchange earnings last year. The Mactan Export Processing Zone, which has eight operating firms, exported \$29.19 million in January to April this year as compared to the previous year's \$20.33 million. [Text] [Manila MANILA BULLETIN in English 22 Jun 87 p 25 HK] /12232

YELLOW CORN IMPORTATION PROTESTED--Mindanao corn growers are protesting the government's importation of yellow corn. They say the importation is untimely and could affect their interests. Mindanao farmers told NFA [National Food Authority] officials Saturday that the imported corn may affect prices of local corn. Meantime, the shipment of imported corn will arrive next month, and July is also the harvest month of Mindanao corn farmers. [Text] [Baguio City Mountain Province Broadcasting Company in English 0330 GMT 22 Jun 87 HK] /12232

CSO: 4200/655

SINGAPORE

BRIEFS

JOURNALIST'S RELEASE URGED--Kuala Lumpur, June 6 (OANA-BERNAMA)--The Brussels-based International Federation of Journalists [IFJ] has called for the immediate release of Malaysian journalist Jenny Chin who is one of the 16 people arrested by the Singapore Government under the Internal Security Act. In a cable to Singapore's Home Ministry, a copy of which was received here Saturday, IFJ General Secretary Hans Larsen said Chin should be released if no charges could be brought against her. He said the IFJ, which represented 125,000 professional journalists in five continents, was deeply concerned over the arrest without trial of Chin. It also gave full support to the protest lodged by Malaysian National Union of Journalists (NUJ) over the arrest. [Text] [Kuala Lumpur BERNAMA in English 0711 GMT 6 Jun 87] /8309

CSO: 4200/649

CHAWALIT, SENIOR RTA COMMENT ON CHONG BOK FIGHTING

Chawalit Sees Fight as Open-ended

Bangkok THAI RAT in Thai 17 May 87 pp 1, 20

[Excerpt] Gen Chawalit Yongchaiyut, the RTA CINC, was interviewed at "BN" 6 on 16 May after returning from an inspection of the Chong Bok border area in Nam Yun District, Ubon Ratchathani Province. He was asked about the fact that Prachakon Thai Party MPs have submitted a motion to the Speaker of the House asking about the events that have taken place at Chong Bok and intimating that the army has not disclosed the facts about our losses. The RTA CINC said that there are no facts, just the truth. He said that we have already disclosed the number of troops killed and wounded. Why are there still questions about the number killed? He said that yesterday, he distributed the life insurance money to the beneficiaries of 45 men. There isn't anything else. Why do they still have questions? Why do they have such doubts? But he said that he doesn't think that MPs will submit such a motion. The MPs will probably submit a motion to have the government submit a political and legal protest to Vietnam. Why would MPs protest against our side? MPs are the representatives of the Thai people. They should be upset on behalf of the Thai people. The reporter said that perhaps these MPs want to know why we have suffered so many casualties in the fighting. The RTA CINC said that "we are fighting with ammunition, not words, and so it's only natural that there will be casualties. I visited the troops there, and their morale is fine." He asked the reporter if MPs really have submitted a motion. The reporter said that they have. The RTA CINC said that in that case, the villagers are probably shocked. They probably wonder in what country they are living. The villagers aren't just talking. They are participating in the struggle. They have formed volunteer groups to help protect Thailand. They are well aware of what is happening. Civilians, policemen, and soldiers are cooperating with each other. This is because we know that what has happened is a national problem. Thus, people are cooperating with each other closely. Morale is still good. It's only natural that some will be killed. You can't look just at our side's casualty figures. You have to look at the number of enemy casualties, too, and compare the figures. You also have to look at the advantages and disadvantages in the fighting.

The RTA CINC said that it's hard to believe that MPs would submit such a motion. It's good to know that people are very concerned about the soldiers.

A large number of groups have asked to go to the area. Military officials are worried but can't say anything. It's heartening to know that people are worried about the soldiers. Both the Military Subcommittee and the minister of defense are concerned. That's correct. But submitting a motion of protest against your own side is wrong. In a half-serious manner, the RTA CINC said that "that goes against nature. Perhaps it was someone of Vietnamese ancestry. We may have to conduct a background investigation."

As for the situation in the Chong Bok border area, based on his inspection trip there, the RTA CINC said that we have scored initial results as planned. That is, we have succeeded in expelling the Vietnamese forces from important subdistricts. We have driven them off the hills overlooking the plains in Na Chaluai and Nam Yun districts. We have forced them back to the border. We are now involved in the second stage, which is to move forces up to the border. We have already reached the border in certain places. But there are certain places that we still can't go. We have to adjust our operations so that everything is in harmony. We are doing that now. This second stage is the final stage. But it's impossible to say how long this will take. Many of the hills, such as Hill 635, are located very close to the border. They can send up reinforcements in just 30 minutes. But it takes us up to 7 days. We have to make good preparations. We have to do things in steps. We can't rush things. The military is doing an excellent job. During the first stage, we set a timetable. But instead of helping, this just put restrictions on the officials operating in the area. That is not good. Thus, officials have now been told to expel them as quickly as possible.

The reporter asked about the obstacles in carrying out this operation. Gen Chawalit said that we are at a disadvantage. The important disadvantage is that they moved into this area a long time ago and have had time to build strong bases. They have expertise in this area. We are trying to attack from below. They hold the high ground and have fortified it. There will definitely be casualties. But our troops are fighting hard and making headway. As for firepower, if all they had was great firepower, there wouldn't be any problem. But they are using their firepower to hit Thai border villages. This is very depressing. It is wrong for soldiers to fire on villages. He said that he has told the Thai forces that he hopes that results can be achieved soon. We are fighting to expel the invader. We are fighting on our territory. We will definitely achieve our objectives.

In conclusion, Gen Chawalit said that "I went and distributed the insurance money to the families of the soldiers who have been killed in the 2d Army Region. These families are all to be pitied. I would like everyone in the country to see the sacrifices that they have made for the country. I told their families that we will never abandon them. I told them that even though their husband or son is dead, if they ever have a problem, the army will always help them. Insurance money has been paid for 45 men: 3 officers, 10 NCOs, and 32 privates and thahan phran irregulars."

## Gen Sunthon: Bombing Ineffective

Bangkok THAI RAT in Thai 18 May 87 p 20

[Excerpt] On 17 May, Gen Sunthon Khongsomphong, the assistant RTA CINC, was interviewed by reporters at a party given on the 46th anniversary of the founding of the Newspaper Association of Thailand. He was asked about the fact that members of the opposition have submitted a motion to have the military explain what is happening at Chong Bok. He said that he does not agree with this. But if that is what people want, we can do so. It is up to the military to pick someone to go explain. Gen Sunthon repeated that he does not agree with this. He does not think that this is proper. Because if we explain things, the enemy will know all our secrets. For example, if someone asks what we plan to do next and we explain our plans, the enemy will know our plans.

Gen Sunthon said that the RTA CINC has gone to observe the situation. He said that he will go there next week. Gen Sunthon talked about the difficulties in conducting operations. He said that this is a mountainous jungle area. Aerial bombing is ineffective, because the terrain is composed of rocky folds and steep cliffs. Thus, the attacks have failed to achieve the results desired. However, he said that we have our own methods, which he cannot disclose. We should be able to achieve our objectives.

### Task Force Commander Comments

Bangkok DAILY NEWS in Thai 18 May 87 pp 1, 16

[Excerpt] Col Phoemsak Phuangsarot, the chief of staff of the Suranari Force, was interviewed by reporters at the Army Auditorium on the evening of 14 May about the fighting along the Cambodian border at Chong Bok in Nam Yun District, Ubon Ratchathani Province. He said that the reports that the Thai military has acted carelessly and suffered heavy casualties are incorrect. Efforts to expel the Vietnamese forces from Chong Bok have been underway ever since last year. Last year, we had some success in expelling them and seizing control of areas. But at that time, operations were also underway at Chong Obok. Operations in the Chong Bok area got underway in December last year. The first thing that must be considered is that we were at a disadvantage, because civilians lived within range of enemy artillery. Our first task was to protect the people. After that, we launched military operations. Initially, we used only three infantry companies. We tried to expel them in accord with the policy of the RTA CINC. But they refused to leave. There were several clashes. We couldn't accept this and so took action in stages. He said that the operations have all been approved by higher echelons.

The chief of staff of the Suranari Force said that the three companies used initially were thahan phran irregulars. But because the fighting continued, it became necessary to change the plan and send in reinforcements. The Chong Bok area is a mountainous jungle area, and this makes it difficult to conduct operations. We have now encountered two major problems: The enemy has artillery set up just across the border, and the area is heavily mined. Also, they have been operating in this area for a long time, which gives them an advantage. We have always carried on operations in accord with

international law and remained on our side of the border. But Vietnam has violated the laws and sent forces across the border into Thailand. He said that we can get to all our hills. But we can't get to those that they have occupied, because they have built bunkers. Whenever we try to climb these hills, they bring heavy firepower to bear against us. We have changed our tactics. We are now using small teams and are trying to seize every area without regard to losses. We will do everything necessary to maintain our sovereignty. There will be losses. That's normal in combat. The various-echelon commanders in the 2d Army Region are all at the front. He said that the enemy's losses have been greater than ours.

Reporters asked Col Phoemsak about the motion filed by MPs. He said that the military knows more about this than the MPs. When they talked about poor morale, to what level were they referring? Soldiers who are sick are prepared to go fight. They want revenge for their friends. Fewer than 100 of our soldiers have been killed. A large number have been wounded. Most of the casualties have been suffered as a result of sending forces into areas where they have heavy firepower. The reports that we have suffered so many casualties that there is no more muslin available in Ubon Ratchathani Province are simply not true. It's just that the provincial governor wants to help provide cloth for the soldiers, and merchants have made donations. As for the situation today, as the RTA CINC said, we are stepping up the level of action. We cannot accept this. Regardless of the agreements reached, we have to destroy those forces that have taken this action against us. But we have not sent in reinforcements.

The chief of staff of the Suranari Force talked about the construction of a dam at Ban Chanra in accord with the royal project. He said that work has gotten underway. This is a strategic area of great significance to national security. We must take quick action. We can't remain idle. We are willing to take some losses in order to protect the majority. We have not moved the villagers out of the area because they are prepared to fight side by side with the soldiers. This is their home. They refuse to flee. Those who have fled are not villagers. They don't know what is happening and have hurt the morale of people outside the area. Actually, this is not a major matter. There is nothing to worry about. The border area here will be secured before the start of the rainy season.

11943

CSO: 4207/216



FURTHER REPORT ON PREM DECLINE IN PUBLIC OPINION POLL

Bangkok KHAO PHISET in Thai 6-12 May 87 pp 22-25

[Unattributed report: "Results of the Public Opinion Poll on the Present Political Situation: the Decline of Gen Prem and the Rise of Maj Gen Chamlong"]

[Text] Even though this public opinion poll, which was conducted by the Institute of Social Research, Chulalongkorn University, has made the headlines and generated so much criticism that the government has had to come forward and deny the validity of the results, KHAO PHISET feels that readers should be informed about the details of this poll and discuss this once again. This poll on the "Views of the People on the Present Political Situation" was arranged by the Socioeconomic Policy and Forecasting Unit, Institute of Social Research, Chulalongkorn University. The Socioeconomic Policy and Forecasting Unit entrusted the Social and Political Trends Analysis Section, the director of which is Mr Thirayut Bunmi, with the task of conducting the poll. This section distributed questionnaires during March and April 1987. Thus, the results refer to the political situation at that time. Because of space limitations, KHAO PHISET is publishing only some of the data tables.

At 1300 hours on 28 April in the Ploenchit Room of the Imperial Hotel, Mr Thirayut Bunmi, the director of the Social and Political Trends Analysis Section, which is subordinate to the Socioeconomic Policy and Forecasting Unit, Institute of Social Research, Chulalongkorn University, announced the results of the poll on the "Views of the People on the Present Political Situation." He said that besides dealing with the events of the past month, some of the survey questions were repeat questions that had been asked during the previous survey on the "Views of the People on the Political Role of the Military and Political Parties." This survey was conducted during the period 19-23 March 1987. There were a total of 603 respondents divided by occupation as follows: government employees, 13.9 percent; private-sector employees, 25.4 percent; teachers and instructors, 10 percent; businessmen, 40.8 percent; and others, 10 percent. The percentage of respondents from Bangkok Metropolitan and the various regions was as follows: Bangkok, 33.2 percent;

the central region, 16.6 percent; the north, 16.6 percent; the northeast, 16.6 percent; and the south, 17.1 percent. The responses to the questions were very interesting. Specifically:

When asked whether they wanted an elected prime minister, 91.2 percent answered "yes" and 8.6 percent said "no." Only 0.2 percent did not respond to the question.

The next question asked the people to identify the person whom they feel is most suited to becoming the next prime minister. The respondents were given 14 names from which to choose. The results were as follows: Maj Gen Chamlong Simuang, 27.7 percent; Gen Athit Kamlangek, 12.8 percent; Gen Prem Tinsulanon, 11.9 percent; and Gen Chawalit Yongchaiyut, 11.1 percent. The percentage for Gen Chawalit was about the same as that for Gen Prem. It is worth noting that party leaders were fifth (Mr Phichai Rattakun), sixth (Mr Samak Sunthonwet), and seventh (Air Chief Marshal Sitthi Sawetsila) in terms of popularity. What is interesting is that Maj Gen Simuang, who was first in terms of popularity, placed first in every region and in every occupational group even though his official duties are confined to Bangkok.

The respondents were then asked which political parties they trusted the most. The Democratic Party was the most popular with 34.3 percent. This was followed by the Thai Prachakon Party, 17.4 percent; the Social Action Party, 14.9 percent; the Thai Nation Party, 7.3 percent; the Progressive Party, 6.5 percent; the Community Action Party, 3.8 percent; the United Democracy Party, 3.3 percent; and the Ratsadon Party, 3.2 percent. The popularity of the political parties showed a correlation with the popularity of the party leaders. That is, the most popular party leaders were Mr Phichai Rattakun, 29.5 percent; Mr Samak Sunthonwet, 18.6 percent; Air Chief Marshal Sitthi Sawetwila, 16.9 percent; and Mr Uthai Phimchaichon, 10.1 percent.

Respondents were then asked if they think that the politicians in the political parties are playing a role that is helpful or harmful to democracy. Sixty-one percent said "helpful," 38.3 percent said "harmful," and 0.7 percent declined to answer.

The next question concerned the recent conflicts within the political parties. In response, 36.7 percent said that this was normal in a democratic system, 48.1 percent said while things are bad, they can be improved, and 12.6 percent said that the situation has become unbearable.

As for their views on the opposition parties, 29.7 percent of the respondents said that these parties are carrying out their duties very well, 48.1 percent said that they are doing a good job, 13.4 percent said that they are doing a bad job, and 8.5 percent said that they are doing a terrible job. At the same time, when asked how well the government parties are doing, 8.8 percent said that these parties are very efficient, 49.1 percent said that they are doing a fair job, 26.4 percent said that the parties are interested only in fighting for positions, and 15.6 percent said that these parties need to improve a lot.

Respondents were asked whether they agree with the statement that today's politicians and political parties are more interested in their own interests

than in ideals or the interests of the country. The response was: agree highly, 34.7 percent; agree, 50.9 percent; uncertain, 10 percent; disagree somewhat, 2.7 percent; and do not agree at all, 1.3 percent. Respondents were then asked if they think a cabinet reshuffle would be good for the government and democracy. In response, 19.1 percent said that this would be very good, 34.5 percent said that this would be good, 36 percent were uncertain, 7.1 percent said that this might be bad, and 2.8 percent said that this would definitely be bad. Thus, a total of 53.6 percent felt that this would be good or very good.

The above views provide a political picture concerning the politicians and political parties. Turning to elections and the role of the military, the respondents were asked if they agree with the statement that the present prime minister (Gen Prem Tinsulanon) does not see the value of elections. A total of 52.7 percent agreed with the statement; 43.3 percent disagreed.

The above results show that even though the majority of the people subscribe to democratic principles, when asked whether they agreed with the statement that democracy depends on stipulating national policies or policies to benefit the people rather than on the constitution, 64.7 percent agreed and 34 percent disagreed. It can be seen that in the view of the people, a good democracy and a good government must benefit the majority of the people. However, 66.5 percent of the respondents felt that the stability of the government depends on the military. When asked whether the conflict between the civilian leaders and the military is an important factor that could lead to the military interfering in politics, 69.2 percent said "yes" and 29.5 percent said "no."

Respondents were then asked whether a military government in a developing country "promotes" or "hinders" the development of the country. In response, 36 percent said that this promotes development, 30.2 percent said that this did not have any effect one way or the other, and 30.8 percent said that this hinders development. When asked whether the military should support politics and serve as a political power base, 80.4 percent said "yes." Respondents were then asked if they agree with the following statement: "In a developing country, the military is an important force in society. But it is not the representative of development. Just the opposite is true. The military is the organization that hinders political development." The response was: agree highly, 15.1 percent; agree, 38 percent; uncertain, 25.4 percent; disagree somewhat, 10.6 percent; do not agree, 10.1 percent.

At the same time, 54.9 percent of the respondents said that in order to develop democracy, the military should stop thinking about using force to stage a coup, dissolve parliament, or tear up the constitution. Another 30.3 percent said that they were uncertain. Only 14.6 percent did not agree.

The military has played a major role in protecting the prime minister. Respondents were about evenly split in how they felt about this. That is, 33.2 percent said that this was good for the prime minister, 34.2 percent were uncertain, and 32.3 percent felt that this was bad for the prime minister. The military, of course, feels that it has done the right thing.

Besides this, the fact that the military has protected the prime minister has given the people another picture of the prime minister. Respondents were asked whether they agree with the statement that the military has protected the prime minister because the prime minister is afraid of being criticized by both the opposition and pro-government parties and whether there is a lack of unity. The response was: agree highly, 21.6 percent; agree, 45.1 percent; uncertain, 17.1 percent; disagree somewhat, 9 percent; and do not agree at all, 6.6 percent.

As for the fear of being criticized, from the standpoint of politics, in a democratic system, it is the role of the opposition parties to criticize the prime minister or government. Concerning the opposition holding no-confidence debates on the government, there was a debate in parliament about broadcasting the debates. But this was rejected. The respondents were asked their views as to why the government opposed broadcasting the debates in parliament while the opposition supported this. The responses were as follows: 39.3 percent said that the government is afraid that the people will learn about the weaknesses of the government; 16.3 percent said that the government is afraid that the opposition will gain in popularity while the government's popularity will decline; 22.6 percent said that the government does not want to have to reply to the opposition's charges; and 15.9 percent said that the government wants the people to place their trust in the government alone.

From the above, it can be seen that a rather high percentage of the people still prefer having a democratic system. The people continue to support the political parties and political leaders, with elections in a democratic system being the most important criterion. In particular, the prime minister must be an elected official. Honesty, administrative talent, and boldness in making decisions are all very important elements. Based on these criteria, Gen Prem Tinsulanon, the present prime minister, is third in popularity. As for the many political problems that have occurred during the past 2-3 months, the people feel that this is normal and that this is the nature of politics in a democracy. They are opposed quite strongly to the military playing a political role at the present time. They stressed that it is the role played by the military that is blocking Thailand's political development. When the military protects the prime minister, this shows that the prime minister is weak, and this has a negative effect on the military, too.

Table 1: Number of Respondents by Region and Occupation

Region:	Bangkok	Central	North	Northeast	South	Total
Occupation:						
Government employee	41 (20.5)	13 (13)	10 (10)	10 (10)	10 (9.7)	84 (13.9)
Private-sector employee	73 (36.5)	20 (20)	20 (20)	20 (20)	20 (19.4)	20 (25.4)
Teacher-instructor	18	10	10	10	12	60

	(9)	(10)	(10)	(10)	(11.7)	(10)
Businessman	46 (23)	49 (49)	50 (50)	50 (50.5)	51 (49.5)	246 (40.8)
Other	22 (11)	8 (8)	10 (10)	10 (10)	10 (9.7)	60 (10)
Total	200 (33.2)	100 (16.6)	100 (16.6)	100 (16.6)	103 (17.1)	603 (100)

Table 2: Desire for an Elected Prime Minister (by Region)

View	Bangkok	Central	North	Northeast	South	Total
Want elected PM	85.5	94	89	97	96.1	91.2
Do not want	14.0	6	11	3	3.9	8.6
No response	0.5	--	--	--	--	0.2
Total	100	100	100	100	100	100

Table 3: Political Parties in Which the People Have the Most Confidence

Order	Party	Bangkok	Central	North	Northeast	South	Total
1	Democrat	23.5 (2)	32 (1)	27 (1)	38 (1)	61.2 (1)	34.3
2	Prachakon Thai	27 (1)	25 (2)	11	8	6.8	17.4
3	Social Action	12	7	19 (2)	31 (2)	8.7 (2)	14.9
4	Thai Nation	4	9	9	15	2.9	7.3
5	Progressive	7.5	10	9	--	4.9	6.5
6	Community Action	2.5	2	9	4	2.9	3.8
7	United Democracy	5	3	3	1	2.9	3.3
8	Ratsadon	4	2	9	--	--	3.2
9	Other	--	--	--	--	--	--
	Total	100	100	100	100	100	100

Table 4: Most Popular Political Party Leaders at Present Time

Order	Leader	Bangkok	Central	North	Northeast	South	Total
1	Phichai	26 (1)	20 (2)	18 (1)	39 (1)	47.6 (1)	29.5
2	Samak	25.5 (2)	28 (1)	18 (1)	7	7.8	18.6
3	Sitthi	14.5	15	15	37 (2)	5.8	16.9
4	Uthai	12	13	13	--	10.7 (2)	10.1
5	Chatchai	2.5	5	9	13	1	5.5
6	Thianchai	4	4	13	1	2.9	4.5
	Total	100	100	100	100	100	100

Table 5: Respondents Views on Who Is Most Suited To Be Next Prime Minister

Order	Choice	Votes	Percent
1	Chamlong	167	27.7
2	Athit	77	12.8
3	Prem	72	11.9
4	Chawalit	67	11.1
5	Phichai (1)	48	8.0
6	Samak (2)	36	6.0
7	Sitthi (3)	25	4.1
8	Ukrut	25	4.1
9	Uthai (4)	18	3.0
10	Khukrit	14	2.3
11	Chatchai (5)	13	2.2
12	Chuan	11	1.8
13	Thianchai (6)	10	1.7
14	Sanya	9	1.5
	Other	11	1.8
	Total	603	100

Note: Party leaders (1)-(6)=150

Table 6: Respondents Views on Who Is Most Suited To Be Next Prime Minister by Region (percent)

Order	Bangkok	Central	North	Northeast	South	Total
1	31.5 Chamlong	29 Chamlong	20 Chamlong	30 Chamlong	25 Chamlong	27.7 Chamlong
2	16.5 Athit	19 Athit	16 Prem	17 Chawalit	21.4 Prem	12.8 Athit
3	11 Phichai	12 Prem	10 Athit	10 (1) 2 people	16.5 Chawalit	11.9 Prem
4	8 Samak	11 Chawalit	7 (2) 4 people	8 Prem	8.7 Ukrut	11.1 Chawalit
5	7 Prem	8 Samak	5 (3) 2 people	7 Sitthi	5.8 Phichai	8.0 Phichai

Note: (1) Tie score for Athit and Phichai  
 (2) Tie score for Thianchai, Chawalit, Samak, and Phichai  
 (3) Tie score for Sitthi and Chatchai

Table 7: Views on How Well Opposition Is Carrying Out Its Duties

View	Bangkok	Central	North	Northeast	South	Total
Very good	27.5	38	34	39	12.6	28.7
Good	50.5	43	45	49	50.5	48.1
Bad	13.5	10	18	9	16.5	13.4
Very bad	8.0	8	3	3	20.4	8.5
No response	0.5	1	--	--	--	0.3
Total	100	100	100	100	100	100

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CSO: 4207/217

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KHUKRIT COMMENTS ON KING SUBORDINATION IN POLITICS

Bangkok DAO SIAM in Thai 7 May 87 p 16

[Hotline column: "Khukrit Stresses That Monarchy Is Foundation of Nation"]

[Text] At 1500 hours on 6 May 1987 at the Chulalongkorn University auditorium, the Faculty of Political Science sponsored a special lecture on the 60th birthday of the king and his accession to the throne. The lecture, entitled "The Monarchy and Thailand's Administration," was given by MR [royal title--FBIS] Khukrit Pramot, the former prime minister and former leader of the Social Action Party.

MR Khukrit spoke about Thailand's administration starting with the Sukhothai period. He said that at that time, the king and the people were very close to each other. The king gave many rights and freedoms to the people. But in the Ayuthaya period, royal terms came into use and the king began to separate himself from the people. The people came to regard the king as a god. Everyone had to obey the commands of the king. Things remained like this through the Rattanakosin period. Ever since the administrative change of 1932, the king has been subordinate to the constitution. There are legislative, administrative, and judicial powers. The present king is in a very difficult position, because people continue to adhere to the old customs, and there are new laws that he must uphold. The king is a very patient person. The teachings that he gives to the people are all teachings that he himself follows.

MR Khukrit said that today's monarchy does not have any political power. The monarchy is not creating problems for anyone. The people are very possessive of their monarchy. The present king has made many sacrifices to help the people. He uses kindness. He does not use power as in the past. In conclusion, MR Khukrit said that regardless of how things change, the one thing on which we can count is the Thai monarchy.

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STUDENT FEDERATION SECRETARY GENERAL PROFILED

Bangkok MATICHON SUT SAPDA in Thai 17 May 87 p 16

[MATICHON Profile column: "Aphichat Khamdet, secretary general of the Student Federation of Thailand"]

[Text] He was born on 13 April 1963 in Bangkok. He is the second of the four children of Mr Usaha and Mrs Amphon Khamdet.

He completed Grade 7 at the Prakopanuson Bangphlat School in 1976. He graduated from lower secondary school at the Wat Sangwet School in 1978, and in 1982 he received his vocational education certificate from the King Mongkut's Institute of Technology, North Bangkok Campus. In 1986 he was a student in the Faculty of Science at Ramkhamhaeng University.

He first became involved in student activities in 1981. He was a member of the Development Volunteers Association and Student Union, King Mongkut's Institute of Technology. He first became involved in political activities when he served as an election observer in Roi Et Province on behalf of 20 student organizations. He served as the representative of the Student Union in the activities of the 20 student organizations.

In 1984 he served on the sports committee and was the external representative of the Union. He participated in establishing the Student Federation of Thailand [SFT] and served on the SFT's executive committee for public relations. He participated in the demonstrations against the arrest of scholars and newspapermen on communist charges.

In 1985 he served as an SFT activist and participated in demonstrations opposing the purchase of F-16 aircraft by the air force.

In 1986 he served as the leader of the Student Power Party, King Mongkut's Institute of Technology, North Bangkok Campus. He was a member of the SFT's executive committee for the coordination of provincial activities. He participated in the demonstrations against the Farm Act and in the demonstrations demanding an elected prime minister.

In 1987 he was elected secretary general of the SFT. He is opposed to the military interfering in politics and wants to maintain the parliamentary system of democracy.

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CSO: 4207/217

## INTERRUPTED EXPOSE GETS NATIONWIDE COVERAGE

## Truncated Report of Missing Materials

Hanoi QUAN DOI NHAN DAN in Vietnamese 2 Apr 87 p 2

[Article by Vu Anh Nguyen, Hanoi soldier]

[Text] The HANG KHONG VIET NAM newspaper, issue 120, edition 2, February 1987, carried an article on page 3 entitled "Materials Falling Into Someone's Hands?", which disclosed a foolish occurrence in the Vietnam Civil Aviation General Department. In short, during the 2 years of 1985 and 1986, a large volume of the general department's construction materials (nearly 600 tons of cement, more than 82 tons of iron and steel, millions of bricks, etc.) fell into the hands of individuals. A number of people bought a fairly large amount of the materials, some buying as much as 30 tons of cement, 5.6 tons of iron and steel, etc.

The article only published half. Written at the bottom was "to be continued," which interested public opinion in the Vietnam Civil Aviation General Department, in the army, and even readers outside the army in following it. However, just at the time readers were waiting to see the remainder of the newspaper article "Materials Falling Into Someone's Hands?", the HANG KHONG VIET NAM newspaper, issue 121, edition 1, March 1987, announced at the top of page 3: "Executing the Civil Aviation General Department party committee's Resolution No 16 NQ-DU dated 7 March 1987, HANG KHONG VIET NAM newspaper is not publishing the continuation of the article 'Materials Falling Into Someone's Hands?'. The editorial board wishes to make this clear to our readers..."

This announcement has dismayed and disappointed readers. Why wasn't the article "Materials Falling Into Someone's Hands?" not going to be continued? Why had the Vietnam Civil Aviation General Department's party committee issued this resolution? Had the newspaper article been wrong?

As a reader of the HANG KHONG VIET NAM newspaper, I recommend that the party committee and the head of the Vietnam Civil Aviation General Department, in the spirit of looking directly at the truth and regarding public criticism in the newspaper as a legitimate right, let the HANG KHONG VIET NAM newspaper publish the remainder of the article "Materials Falling Into Someone's Hands?".

The HANG KHONG VIET NAM newspaper intended to point out a problem, so it should continue to clarify the problem and, of course, take responsibility for its work. And agencies and organizations as well as individuals, whoever knows about the affair, should also share their views in the newspaper. Anything the HANG KHONG VIET NAM newspaper has stated correctly, anything that is not correct, and anything that is stated incompletely should be supplemented. Anything that is overstated should be reviewed. Through this, they, together with the HANG KHONG VIET NAM newspaper and with the party committee and head of the Civil Aviation General Department as well as other responsible organizations, will clearly distinguish truth from falsehoods, right from wrong and conclude the matter.

I think, once the matter has been raised publicly, it can be carried in the HANG KHONG VIET NAM newspaper and can even be aired in other newspaper, if readers feel it necessary.

I hope my recommendation is examined and accepted by the party committee and the head of the Vietnam Civil Aviation General Department as well as the HANG KHONG VIET NAM newspaper. I believe that it is also the wish of numerous readers of HANG KHONG VIET NAM newspaper as well as very many other readers when they learn about this matter.

#### SAIGON GIAI PHONG Carries Report

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 4 Apr 87 pp 1, 2

[Text] The Civil Aviation General Department's HANG KHONG VIET NAM newspaper, issue 120 (edition 2, February 1987) published on page 3 an article entitled "Materials Falling Into Someone's Hands?" which disclosed a foolish occurrence in the Vietnam Civil Aviation General Department. The newspaper article stated: During the 2 years of 1985 and 1986, a large volume of the general department's construction materials consisting of nearly 600 tons of cement, more than 82 tons of iron and steel, millions of bricks, etc., fell into the hands of individuals. A number of people bought a fairly large amount of the materials, some buying as much as 30 tons of cement, 5.6 tons of iron and steel, etc.

The newspaper article published half, writing "to be continued" at the bottom which interested public opinion in the general department, in the army, and even readers outside the army in following it.

Just as the readers were waiting to see the remainder of the article, the HANG KHONG VIET NAM newspaper, issue 121 (edition 1, March 1987) announced at the top of page 3: "Executing Resolution No 16 NQ-DU dated 7 March 1987, HANG KHONG VIET NAM newspaper is not publishing the continuation of the article 'Materials Falling Into Someone's Hands?'."

This announcement has dismayed and disappointed readers. Why wasn't the article "Materials Falling Into Someone's Hands?" not going to be continued? Why had the Vietnam Civil Aviation General Department's party committee issued the resolution not permitting publication of the article?

On 2 April 1987, QUAN DOI NHAN DAN newspaper published a reader's letter recommending that the party committee and head of the Civil Aviation General Department, in the spirit of looking directly at the truth and considering criticism in newspapers as everyone's right, let HANG KHONG VIET NAM and other newspapers continue to publicly carry this matter in newspapers. Agencies and organizations as well as individuals, anyone who knows about this matter, can share views so the Civil Aviation General Department as well as other responsible agencies can distinguish right from wrong and conclude the matter.

6915

CSO: 4209/429

## CPV CENTRAL COMMITTEE SENDS GREETINGS TO COUNTERPARTS

## Tunisian Communist Party's 9th Congress

OW122040 Hanoi VNA in English 1457 GMT 12 Jun 87

[Text] Hanoi VNA June 12--The Central Committee of the Communist Party of Vietnam has extended its warm greetings to the 9th Congress of the Communist Party of Tunisia (CPT).

The message notes that the CPT, together with the progressive and democratic forces in Tunisia has "persistently struggled against imperialism and colonialism, and for the people's right to life and democracy and for the country's independence and sovereignty, thus making active contributions to the world struggle for peace, national independence, democracy and social progress."

"We firmly believe that under the light of the resolution of the 9th party congress you will obtain greater success in your noble cause," says the message.

It wishes the friendship and solidarity between the two parties and peoples further consolidation and development.

## Finnish CP's 21st Congress

BK150942 Hanoi Domestic Service in Vietnamese 1430 GMT 12 Jun 87

[CPV Central Committee 11 June message of greetings to 21st Congress of the Finnish Communist Party]

[Text] On behalf of the Communist Party, the working class, and the people of Vietnam, we would like to extend to the congress, all the communist party members, and the working people of Finland our warm greetings and we wish the congress brilliant success.

Over the past years, together with progressive democratic forces, your party has persistently struggled against capitalist monopoly, defended the working people's civil and democratic rights, safeguarded Finland's policy of peace and neutrality, and made positive contributions to the peace movement in Europe and the rest of the world as well as the international movement in support of the struggle of the Asian, African, and Latin American peoples for (?independence) and development.

We wish you and the Finnish working class many new successes on the basis of unity in the struggle for common objectives.

We sincerely thank the communists and people of Finland for their warm support for the Vietnamese people's national construction and defense.

May the solidarity and friendship between our two parties and peoples be constantly consolidated and developed.

Australian CP's 29th Congress

OW152138 Hanoi VNA in English 1504 GMT 15 Jun 87

[Text] Hanoi VNA June 15--The Central Committee of the Communist Party of Vietnam has sent greetings to the 29th Congress of the Communist Party of Australia.

The message says:

"Over the past years, your party has together with democratic and progressive forces persistently struggled against monopoly capitalism for the rights to life and democracy of the Australian working class and other labouring people, and against the imperialists' arms race, and for peace, security and cooperation in Asia and the Pacific and in the world as a whole. Your party has played a positive role in the movement in solidarity with and support for the struggle for independence and development of the people in Asia, Africa and Latin America."

The message extends sincere thanks to the Australian Communists and people for their wholehearted support to the Vietnamese people's construction and national defence, and wishes the solidarity and friendship between the two communist parties and peoples of Vietnam and Australia further consolidation and development.

/8309

CSO: 4200/651

## REFORM OF STATE AGRICULTURAL MANAGEMENT DISCUSSED

Hanoi LUAT HOC in Vietnamese No 3, Jul 86 pp 13-20

[Article by Tran Huu: "The Key To Strengthening the Effectiveness of Agricultural Management in Our Country: Perfect the System of State Agricultural Management Organizations"]

[Text] In the draft political report of the Central Committee of the CPV presented at the Sixth Party Congress, the party again stressed the policy presented at the fourth and fifth congresses: Efforts must be concentrated on expanding agriculture. Agriculture must be regarded as the leading front and upgraded to large-scale socialist production.

In order to implement this policy, the most important thing is to strengthen the effectiveness of state control over agriculture.

The key to strengthening the effectiveness of state control over agriculture in the present stage is to perfect the system of state agricultural management organizations.

There must be a strong system of state agricultural management organizations. This must be a unified system with a rational structure. Each element must have a clear position and specific functions, tasks, powers, and responsibilities. The activities of the entire system must be in harmony, and the operating forms and methods must be in accord with the requirements and special characteristics of the expansion of agriculture in the new stage. Only by having such a system will it be possible to have a really positive effect on the expansion of agriculture and stimulate agriculture to expand in the direction indicated by the party and state.

Thus, what must be done to perfect and strengthen the present system of state agricultural management organizations in order to have such a system of management organizations?

1. To organize a system of state organizations to manage the agricultural economy effectively, we feel that the important thing is to determine the basic factors that regulate the organization and operation of this system of organizations. This is a matter of both theoretical and practical importance. Based on having an accurate understanding of the factors and on fully

calculating the factors and their effect on the organization and activities of the system of agricultural management organizations, a suitable agricultural management apparatus and structure can be designed, the tasks, functions, and powers of the management organizations can be stipulated in a specific and clear manner, and the best management forms and methods can be chosen. Furthermore, when those factors change, based on a scientific understanding of the changes of those factors, we can make timely and appropriate changes in the organization and activities of the management system in order to maintain good results in the state management of agriculture. There are many factors: the standards and requirements of the expansion of the agricultural economy in the present stage, the structure of the economy, the management formulas and mechanisms applied in order to manage the economy in general and the agricultural economy in particular, the ranks of management cadres, and so on.

Of all these factors, the decisive one is the Vietnamese agricultural economy. Stated differently, the decisive factor is the object of control.

The theory of socialist state control clearly points out that in control, the important relationship of a decisive nature is the relationship between control object and subject. In the end, the nature of the control relationship refers to the mutual effect between control subject and object, between controlling and being controlled. The control process is not a process involving spontaneous goals. There must be objectives. In general, control is always an effect that is oriented toward processes, entities, or specific human collectives, that is, specific objects.

In the mutual dialectical relationship between subject and object, it is the object that holds a very important position: the object determines the subject. This determination is manifested by the fact that the nature and special characteristics of the control object have a decisive effect on organizing the system of management organizations and internal structure of the system and on determining the tasks, functions, and operating forms and methods of the management organizations in the system.

Clearly determining the control object and its effect on the control subject is the key problem in organizing a strong management apparatus and ensuring that the activities of that apparatus achieve good results. This is because an "organization can manifest its maximum strength only when it is fully adapted to the objectives and the laws of growth of the objectives." [Footnote 1] [Le Duan, "Several Issues on Cadres and Organization in Socialist Revolution," Su That Publishing House, Hanoi, 1973, p 43.] Thus, at the Sixth Plenum of the CPV Central Committee (Fifth Term) in July 1984, Le Duan stressed that the "state apparatus must be organized in accord with the requirements of the economic structure and the laws determined by this structure. The organizational laws and activities of the state apparatus must reflect the organizational laws and activities of the economic structure." (Footnote 2) (Ibid.)

But in emphasizing the decisive effect of the object on control subject, we must not overlook the effect of subject on object. Once the management apparatus--the system of management organizations--has been organized and determined in accord with the object on which it operates, it will manifest



all its strength in stimulating constant development on the part of the object in accord with the guidelines and goals set.

Two basic points can be drawn from the above analysis:

First, the system of state management organizations must be organized in accord with the control object, and they must operate in accord with the control object. This means that management organizations cannot be established in a subjective, arbitrary, or hasty manner. Rather, this must start from the requirements of the economy and economic growth.

Second, changes in the control object must be reflected in corresponding changes in the management system. Stated differently, once there have been qualitative changes in the object, the original organizational structure and the old control forms and methods can not be maintained.

However, it must be stressed that while changes in the control object will, sooner or later, lead to changes in the control subject, not every change in the control object will lead to changes in the system of management organizations or lead to a reorganization of that system of organizations and a rearrangement of the cadres. The essence of the problem is that there is a conflict between the system of state management organizations, which is relatively stable, and the control object, which changes constantly. This is a dialectical conflict. The question is how to resolve this conflict in each stage of social development.

Here, it should be emphasized that reorganizing the management structure in accord with the changes in the control object is a very difficult and complex task. It is not always possible to achieve the desired results. This is because this is a process of apprehending and applying the objective laws.

2. Starting from the concepts mentioned above, our country's agriculture in the present stage must be analyzed as the object of the system of state agricultural management organizations. We can then discuss the basic factors that affect the organization and operation of the management apparatus and stipulate the necessity of perfecting this system in the present stage.

In analyzing agriculture today, the basic special characteristics can be summarized as follows:

1. In our country, at the beginning of the transitional period, agriculture is the leading production front. It is the basis for expanding heavy industry. The Fifth Party Congress emphasized that "priority must be given to expanding heavy industry in an efficient manner based on expanding agriculture and light industry."

2. In agriculture in our country, small-scale production is widespread.

3. Today, three economic elements exist in agriculture. Of these, the collective economy plays an important role. It can be said that Vietnam's agricultural economy during the initial stage of the transition to socialism has been organized mainly under the socialist collective form (cooperatives).

4. In the agricultural economy, the family economy is of special importance.
5. The special characteristics concerning nature that are tied to agricultural production include arable land, climate, weather, crops, animals, and so on.

Based on the above special characteristics of agriculture and agricultural expansion in the present stage, we can draw the main conclusions and discuss the basic relationships between agriculture, whose nature is that of control object, and the system of state agricultural management organizations in order to perfect the organization and operation of the system of organizations in accord with the object on which it acts.

The conclusions that can be drawn are:

1. With respect to state management in general and economic management in particular, in Vietnam today, strengthening the effectiveness of agricultural management is very important.
2. The target of state management regarding agriculture is to upgrade agriculture from small-scale production to large-scale socialist production. Actually, this amounts to socialist transformation of agriculture in an all-round and more thorough manner and at a high stage. It is an implementation of Lenin's cooperativization plan. In essence, state management here refers to advancing the working peasants to socialism under the leadership of the working class and its party and solidifying the worker-peasant alliance.
3. In managing agriculture, basically and in actuality, the state is managing a collective agricultural economy, that is, is managing agricultural production cooperatives. Thus, one of the most important principles of state agricultural management is to coordinate, correctly and efficiently, the leadership of the state with the democracy of the cooperatives and manifest the socialist collective ownership rights of the working peasants.
4. In managing an agriculture that is moving from small-scale production to large-scale socialist production, given the complex and varied natural conditions, the key is the district echelon. Only at the district echelon can the special natural, class, historical, and psychological characteristics be evaluated in an accurate and specific manner during management and thus ensure that management is effective.
5. Among the management forms and methods used by the state in agriculture, the forms and methods that have an indirect effect, that provide guidance, and that set limits in order to permit choices in accord with the specific conditions and manifest the initiative and creativity of the collectives and laborers hold the leading position and play the most important role.

The above basic conclusions show the decisive nature of agriculture as the object of control with respect to the organization and operation of the system of state agricultural management organizations. These form the basis for determining the structure of and making decisions on the functions and powers,

management forms and methods, and cadre requirements of the system of state agricultural management organizations. This and the changes in each specific stage of development must be used as the basis for finding the right path and effective methods in order to constantly improve the organization and operation of the management system with the aim of ensuring that the state's management of agriculture remains efficient and effective.

In the present stage, what are the basic guidelines and measures that must be implemented in order to perfect the system of state agricultural management organizations?

1. The role of the state agencies responsible for agricultural management must be increased. In order to implement this guideline, we feel that the following key problems (measures) must be solved well:

a. The drafting of laws by the National Assembly and Council of State to manage agriculture must be strengthened. The National Assembly and Council of State manage agriculture (as well as other spheres of social life) mainly through drafting and promulgating laws. Through promulgating laws, decrees, resolutions, and decisions, the National Assembly and Council of State manifest their decisions on the most important agricultural issues and the country's agricultural expansion: the strategies and plans for expanding agriculture, the state's major policies on agriculture, the main regulations on the organization and activities of the agricultural management apparatus, and so on.

During the past period, agricultural management has been carried on mainly based on the resolutions, decrees, decisions, circulars, and directives of the executive organs of the state power organizations such as the Council of Ministers, the ministries, the state commissions, and the various echelon people's committees.

In the coming period, the drafting and promulgation of the following laws by the National Assembly and Council of State is of great significance to agricultural management: the Law on Agricultural Production Cooperatives, the Law on Land Use and Management, the Statute on Agricultural Production Cooperatives (approved), and so on.

b. The concentrated and unified management of the Council of Ministers with respect to agriculture must be strengthened.

The Fifth Party Congress clearly pointed out that the "role of the Council of Ministers must be increased and its effectiveness in managing the national economy in a concentrated and unified way must be increased."

In order to strengthen the concentrated and unified management of the Council of Ministers regarding agriculture, we feel that the following measures must be implemented:

a. The Council of Ministers must draft and promulgate basic economic policies on agriculture. The new agricultural policies of the Council of Ministers must fully express, concretize, and systematize the party's agricultural expansion

lines and policies in the initial stage of the transition to socialism, manifest the innovations made in the economic mechanism in agriculture based on the spirit of eliminating bureaucratic centralism and state subsidies, and correctly implement the principles of democratic centralism, economic accounting, and socialist business enterprise pointed out in the resolution of the 8th Plenum of the CPV Central Committee (5th Term).

b. The control, coordination, and inspection functions of the Council of Ministers must be strengthened. Agriculture is a major economic sector of great complexity. Agricultural production is carried on in every region of the country and is connected closely to the contributions of many sectors subordinate to many ministries. (For example, the various sectors supply machinery, energy, water, fertilizer, insecticides, drugs for animals, scientific and technical items, materials, capital, training for cadres, and so on.) The Ministry of Agriculture is not the only ministry responsible for agricultural production. A number of other ministries are responsible for a number of specific crops and animals, too.

Thus, controlling, coordinating, and inspecting the activities of the localities, ministries, people's committees, and general departments with the aim of ensuring that their activities are energetic, coordinated, unified, synchronized, and timely in order to provide capable support and achieve results in carrying out the agricultural production tasks is a very important factor for ensuring the results of agricultural production and agricultural expansion in the country.

This is an important function of the Council of Ministers, which is responsible for managing and unifying the national economy, of which agriculture is a very important element.

2. The role of the various-echelon people's councils and people's committees in managing agriculture and the effectiveness of their activities must be increased. In the past period, for a variety of reasons, the various-echelon people's councils and people's committees have failed to carry out their economic management tasks (in the full sense of the word). The people's councils and state power agencies in the localities have done things in a very formal manner. The people's committees--the state executive and administrative organs of the state power agencies in the localities--are involved in the management of every aspect and sphere of social life in the localities. But looking at things closely, it can be seen that they lean toward state administrative management and have not really become actively involved in managing commercial production and expanding the local economy. The main reason for this is that the people's councils and people's committees have not carried out their tasks as stipulated in the constitution and 1983 laws on organizing people's councils and people's committees.

Thus, in order to increase the role of the people's councils and people's committees in managing agriculture, we feel that it is necessary to do the following:

a. The stipulations concerning people's councils and people's committees must be carried out seriously, particularly those concerning sessions, the committees of the people's councils and people's committees, and the activities of the people's council representatives.

b. The activeness and enthusiasm of the state administrative agencies in the localities must be strengthened. Here, decentralizing management, broadening powers, and strengthening responsibilities for the state agencies in the localities are particularly important.

3. The system and structure of the state agricultural management organizations must be perfected.

Given the new conditions of our country's socioeconomic development, in perfecting the system and structure of the state agricultural management organizations, we must concentrate on the following main problems:

a. The position, functions, and powers of the agricultural management agencies in the agricultural management system in general must be clearly determined.

For a long time now, within the bureaucratic centralism and state subsidies mechanism, these agencies (especially in the localities) have acted like a management echelon. The confusion in roles between the decision-making agencies and the agencies that specialize in helping the decision-making agencies has generated confusion between the management functions of the state management agencies and the management functions of the commercial production units. This is clearly manifested by the fact that the state management agencies have departed from their main functions and are interfering directly and flagrantly in the commercial production activities of the primary-level installations.

In order to overcome this situation, it is essential to define clearly and specifically, by law, the management functions of the state agencies and the management functions of the commercial production units in agriculture.

As for the commercial production units (state farms and agricultural cooperatives), management--with the nature of a "special function arising from the nature of the social labor process" [Footnote 3] [C. Marx and F. Engels, Collected Works, Russian, Vol 23, p 243]--has a production nature. This production management focuses on handling the economic and social tasks of each commercial production unit and ensuring that the commercial production activities of the units are carried on as usual and without interruption and that the activities achieve greater and greater economic results.

Unlike production management at the economic units, the management activities at the state agricultural management organizations focus on creating favorable and similar conditions at the present level of development of the country's production forces so that the primary level economic units and localities can fulfill their commercial production tasks.

Defining things this way will make it possible to avoid unfounded and flagrant interference in the commercial production activities and interference in the handling of minor tasks in the commercial production activities of the primary-level economic units. Also, this will stop the state agricultural management organizations from taking the place of or trampling on the commercial production management apparatus of the primary level units. This means that the independence of the economic units must be respected and that the state agricultural management organizations must avoid "meddling in minor matters" [Footnote 4] [V.L. Lenin to A.D. Txiurupa, Collected Works, Vol 44, Tien Bo Publishing House, 1978, Vietnamese, p 431] and instead concentrate on creating favorable conditions to enable the economic units to operate normally and eliminating the negative factors that affect production.

b. The structure of the state agricultural management organizations must be reorganized. The purpose of this is to have the Ministry of Agriculture and the country's agricultural services and agricultural bureaus form a unified and tight system in order to maintain the sector's control, coordinate sector and territorial control closely and effectively, and implement the new management mechanism.

For a long time now, in agricultural management, sector management has had many problems. There has been a lack of unity, and results have been poor. One of the important reasons is that the organizational structure of the state organizations that manage the sector is not rational. This is clear from the fact that the internal apparatus of the sector management organizations is still cumbersome. The staff is unwieldy, and the functions, tasks, and responsibilities of the elements within the organizations are not clear or specific. The point that should be noted is that at the lower echelons, the functions, tasks, powers, and responsibilities are stipulated less clearly and in less detail (or stated another way, at the higher echelons, the functions, tasks, and powers of the management organizations are stated in greater detail).

In order to reorganize the organizational structure of the agricultural management organizations, we feel that the following must be done:

a. The nonessential elements in the organizations (ministries, services, and offices) must be eliminated. Specifically:

The elements and organizations that do not have specific operational objectives or clear functions, particularly the staff organizations and organizations that help the chief, must be eliminated.

The scientific and technical research institutes and stations, the schools, and the service and occupational departments and corporations must be reorganized. The majority of these organizations must switch to economic accounting formulas and stick closely to production and business.

b. The functions, tasks, and responsibilities of the elements and units in the organizational structure of the agricultural management organizations must be stipulated accurately and clearly. The important point is that the Ministry of Agriculture must draft and promulgate statutes, and the agricultural services

at the provincial echelon and the agricultural bureaus at the district level must issue regulations.

c. Reorganizing the organizational structure of the agricultural management apparatus as discussed above requires that the ranks of agricultural management cadres be reformed.

In order to bring about a strong change in agricultural management, not only must the ranks of cadres be reorganized and the staffs simplified, but there must be a real change in the ranks of management cadres concerning economic thinking, quality requirements and standards for each type of cadre, work formulas and work behavior, concepts and standards for evaluating cadres, and cadre policies. The purpose of this change is to improve the quality, skills, and standards of the agricultural management cadres.

4. There must be a fundamental change in the agricultural management methods.

Vietnamese agriculture today is, above all, collective agriculture. The main producers are the agricultural production cooperatives. On the other hand, in actuality, this collective economy is still characterized by small-scale and backward agriculture and production. Another point that is just as important is that agriculture has special characteristics that are different from the other economic sectors. For example, agriculture is tied closely to nature and living organisms. For this reason, the application of the agricultural management measures must be very flexible and specific. The measures cannot be applied in an arbitrary, administrative, bureaucratic, or commanding manner.

On the other hand, eliminating bureaucratic centralism and state subsidies, implementing democratic centralism correctly, and switching to economic accounting and socialist business based on the plans requires that changes be made in the agricultural management methods.

The problem here is that to manage the agricultural economy effectively in the new stage, there must be a basic change in the relationship between the administrative measures and the economic measures.

For a long time, the management of the agricultural economy was carried on in an administrative manner based on bureaucratic centralism and state subsidies. Political mobilization and administrative orders were used in place of economic results. Administrative relationships were used instead of economic relationships. A purely administrative apparatus was used to manage the economy. This had a very negative effect on agricultural expansion.

With a correct and full understanding of the requirements of the objective economic laws, after considering the special characteristics of Vietnamese agriculture in the initial stage of the transition to socialism, the party and state have stressed that more than in any other sector, in agriculture it is essential to use economic measures and regard these as the most basic management methods. But this does not mean that the administrative measures can be eliminated or ignored. The administrative measures--according to their correct meaning--are still essential in agricultural management. But as

compared with the economic measures, the administrative measures are more limited in scope.

In changing the agricultural-economy management measures based on using economic measures as the root and coordinating the economic and administrative measures in an efficient and correct manner in each specific period and in each specific type of economic relationship of the country's agricultural expansion, we feel that it is essential to concentrate on the following main themes:

a. Basic changes must be made in agricultural production planning. The system of norms must be changed. (The norms and regulations must be limited as much as possible. There should be only one or two norms and regulations regarding the agricultural production cooperatives). The standards for making plans must be changed completely (really democratic, from the bottom up, and based on economic contracts).

b. Economic accounting must be carried on at the cooperatives, state farms, and other economic organizations in agriculture.

c. There must be a thorough overhaul of the pricing system based on the spirit of eliminating state subsidies, stimulating agricultural expansion, and encouraging the cooperatives and farmers to sell agricultural products to the state.

d. The obligations of the cooperatives to the state must be stabilized, improper "obligations" or the transformation of "obligations" must be eliminated, and the economic relationship between the cooperatives and farmers and the state must be expanded by expanding the contract relationships.

e. Changes must be made in the state policies related to stimulating the economy in order to enable the cooperatives, state farms, other economic organizations, working peasants, and agricultural workers to give attention to their final labor results.

f. The state must have comprehensive measures stipulated by law to manifest and ensure the economic independence of the cooperatives and state farms on each front, manifest the socialist collective ownership rights of the working peasants, and block flagrant interference in or petty "support" for the activities of the cooperatives and state farms.

Changing the agricultural management methods based on the above themes will lead to a new orientation in changing the agricultural laws. This is clear from the fact that among the laws that support the implementation of the new economic mechanism, the models having a self-selective, permissive, and guiding nature have been used widely and have an advantage as compared with the models having an authoritarian nature.

11943

CSO: 4209/469



## DEVELOPMENT OF POSTS, TELECOMMUNICATIONS SYSTEM DISCUSSED

Hanoi TAP CHI BUU DIEN TRUYEN THANH in Vietnamese No 1, Jan-Feb 87 pp 3-6

[Article by Le Duc Niem, deputy head of the Posts and Telecommunications General Department: "A Few Thoughts on Expanding the Posts and Telecommunications System in Our Country"]

[Text] The posts and telecommunications system plays a very important role in the activities of every country and the world as a whole.

In our country, the posts and telecommunications sector is engaged mainly in delivering official letters, letters, newspapers and magazines, money, postal matter, and packages; supporting telephone and telegraph service; satisfying the leadership and guidance requirements of the party and state, sectors and echelons; supporting the people's need to exchange news and greetings; and contributing to building and developing the economy and culture and to maintaining national security.

In general, the posts and telecommunications sector is a public service sector. But looked at from a different angle, it is also a tool of the dictatorship. And from the view of Marxism-Leninism, posts and telecommunications is an element of the social infrastructure. It is an economic sector and a sector that produces special materials. It has a very stimulating effect on production and social progress.

The production of the posts and telecommunications sector is large-system, production-chain type production. It is carried on continuously in many elements and with the participation of many people based on unified stipulations concerning organization, techniques, and occupational skills. Besides being carried on within the country, it is also carried out on an international scale.

The posts and telecommunications system in other countries has developed very quickly and reached a very high level in terms of technology, scope, and volume of service.

Our country has had a posts and telecommunications system for a long time. But it was not perfected and did not begin to expand until the period of French colonialism. It was closely connected to the revolution after the formation of

the party but was not really subordinate to the state until after the August Revolution and the formation of the Democratic Republic of Vietnam on 2 September 1945. Our country's posts and telecommunications sector has a long tradition. The cadres and workers of the posts and telecommunications sector have made many sacrifices, suffered many hardships, overcome many difficulties, and suffered privations in order to maintain and expand the support activities. They contributed to the success of the August Revolution and the resistances against France and the United States for national salvation. They have contributed to building the north and the unified country, which is now relatively developed on many fronts.

Ever since peace was restored in the north in 1954 and particularly since the liberation of the south in 1975, the posts and telecommunications sector in our country has developed continuously.

There are almost 1,800 post offices nationwide. Among these are 40 provincial, municipal, and special zone post offices and almost 500 district and city post offices. The rest are zone post offices. Besides this, there are approximately 7,000 village posts and telecommunications stations. Postal routes have expanded throughout the country from the center to the provinces, cities, special zones, districts, villages, and subwards. This includes remote mountainous areas and distant islands. Telecommunications lines have been built between south and north Vietnam. Lines have been built to all the provinces, cities and special zones, to almost all the districts and zone post offices, and to about 30 percent of the villages and subwards in the country.

In delivering letters, newspapers, postal matter, and packages every day, the sector uses a variety of means such as trucks, motorcycles, and bicycles and means belonging to society such as aircraft, trains, ships, buses, and so on. Besides the domestic postal routes, we also have international postal routes. Today, we use mostly aircraft and ships. We use intermediaries and exchange postal services with more than 100 countries. With these postal routes and means of transportation, we can deliver central newspapers to 36 provinces and cities in 1 day. Official letters and other letters delivered within the country are usually delivered within 2-3 days or at most a week. Items sent to the Soviet Union and a number of other countries may take anywhere from a few days to a week or more to reach the addressee. Postal matter and packages take longer.

As for telecommunications, for the most part, we use unshielded lines, shortwave receiver-transmitters, and manually-operated telephone exchanges. But automatic telephone exchanges, wave carriers, microwave equipment, and telegraph machines are in widespread use, and we have symmetrical cable, coaxial cable, satellite ground stations, and so on. With this equipment, we are striving to basically satisfy the telephone and telegraph liaison needs in the country and some of the international information needs.

As for volume, in recent years, the posts and telecommunications sector has delivered approximately 200 million official letters and other letters a year, approximately the same number of newspapers and magazines, and more than 100 million telegrams a year. With more than 100,000 telephones, which does not

include internal liaison, tens of millions of long-distance and international telephone calls have been placed.

After a period of decline, the quality of the service is now improving. Progress has been made. Delays and losses in delivering official letters, letters, newspapers, magazines, money, postal materials, and packages have declined. Fewer than 0.01 percent of the items are lost, and fewer than 10 percent are delivered late. For the entire network, telephone and telegraph backlogs and delays are approximately 10 percent.

Because of strengthening organization and management and promoting emulation, the spirit and attitude of service of the cadres and workers throughout the network has improved somewhat. The number of complaints made by organizations and people regarding the service of the posts and telecommunications sector has declined greatly as compared with before. A number of places and tasks have even been praised.

However, in general, the posts and telecommunications sector in our country is developing very slowly as compared with that in many countries and it is not keeping pace with the development of many other sectors in the country. Quantitatively and qualitatively, service is very poor and cannot satisfy the ever increasing needs of society.

Today, the level of letter, newspaper and magazine, telegraph, and telephone service in our country is the lowest in the world. The present level of service here is about the same as it was in Europe and the United States at the beginning of this century.

On the average, each person here sends fewer than four postal items (including letters and postcards) a year. In other countries, people send hundreds of items a year. In our country, only about 0.2 people per 100 have a telephone. In Africa, the rate is 1.5 per 100, and the world rate is 13 telephones per 100 people. In some countries, there is almost one telephone for every person.

As for quality, communications have not been maintained in every situation. Official letters, letters, newspapers and magazines, money, postal materials, and packages are still delivered late and lost. The telephone and telegram systems break down frequently and repairs are slow. Liaison is backlogged and slow and in many cases does not manifest any effect. The organizations and people have only limited confidence in the posts and telecommunications sector.

The main reason is that investments in domestic information and liaison activities is still very dispersed. Many sectors have their own information organs, networks, and equipment, and the rate of efficiency is low. At the same time, very little money is invested in the posts and telecommunications network or in carrying out the national information tasks. In general, our domestic posts and telecommunications network is still backward, unsynchronized, and in poor repair. We lack supplementary equipment and do not have enough components and parts to make repairs.

The special processing, operating, and transport means and tools of the posts and telecommunications sector are very rudimentary, and there is a great shortage of such means. Up to 95 percent of the official letters, letters, newspapers and magazines, postal materials, and packages transported on level-1 and level-2 routes (from the center to the provinces, cities and special zones and from the provinces and cities to the districts and towns) are transported by public means of transportation.

The power network is seriously out of balance. There is a serious shortage of cable and internal telephone exchanges. The long-distance telephone exchanges are frequently out of order. A number of places that have not been provided with equipment must use magnetic-type internal telephone exchanges to make long-distance telephone exchanges. But there are still not enough. Because of the lack of automatic long-distance telephone exchanges, the organization of international liaison has encountered many difficulties. Because we have not purchased telephone exchanges, national gentex and telex networks have not been formed. Only Hanoi, Ho Chi Minh City, and a few other provinces and cities have telex and gentex networks. But the exchanges have a very small capacity. Many other provinces and cities do not have such exchanges, or if they do, they carry on remote-telex type operations.

The information industry is almost nonexistent. Much machinery and many materials are needed, but they cannot be produced or imported. Some crude equipment can be produced, but because of the difficulties concerning raw materials and technology, the quality cannot be assured. The information industry is weak. Not enough materials are supplied, and they are not uniform. As a result, the network cannot operate regularly or maintain minimum quality. There is a great need for line, cable, exchanges, dry-cell batteries, storage batteries, engines, and parts for exchanges, wave carriers, and wireless receiver-transmitters. There is a great shortage of such items, and many places often don't have any to use.

Not enough attention has been given to scientific and technical work or to training cadres and workers. Progress has been slow, and many of the production and network requirements have not been satisfied. Research and technical control are not in touch with reality, and their effect on the information industry and network is very limited. The training of technical and middle-level professional cadres has been abandoned, and the training of college cadres is declining. Few occupations are taught, and the training given to workers is too broad and too long and not connected to production or the network. This has had a bad effect on the sector's work and service.

Although the sector's organization and management of things has improved greatly and things have been stabilized, there is still much confusion. In a number of spheres, change has been very slow, and the changes that have been made have not been made carefully. Little attention has been given to the sector's special production and commercial support characteristics. During construction and development, little attention has been given to quality or to providing uniform equipment. Making intensive investments in order to maintain the normal operating conditions of the projects, equipment, and networks has been slighted. Many stations lack incoming ground cables, signal cables, and stable sources of network electricity and backup electricity. In

many cases, there are no insulators for unshielded lines, covered telex tie-in lines, impedance transformers, telephone exchange indicator lights or plugs, or electron tubes for damaged wireless receiver-transmitters in order to replace parts promptly. For a long time, there have not been any effective measures for maintaining and improving the quality of information. Many demands have been made of the primary-level units, but little attention has been given to these units and little has been done to enable them to support information well and fulfill the plans.

Today, the country's economy is encountering many difficulties, and many negative phenomena are occurring in society. Not enough research has been done on applying and implementing procedures and policies to look after the material and spiritual lives of the cadres and workers, and the research done has not been done in a flexible or timely manner. Ideological education and mobilization and the enforcement of productive labor discipline have not been done well. Many cadres and workers do not fully understand their responsibilities and tasks. They do things at their own convenience, they work slowly, and their productivity and efficiency is low. There is very little propaganda concerning occupations, and little guidance is given concerning the use of the information tools. Many people do not know how to use the information tools correctly. As a result of this, the posts and telecommunications cadres and workers directly involved in production and service tasks have encountered many difficulties.

In order to overcome the above weaknesses and problems, advance to maintaining and expanding information, and provide more and better support for fulfilling the requirements of society, the entire sector, from the top echelon to the individual cadre and worker in the various work and production spheres must reevaluate his or her work, exploit the strengths, correct the shortcomings, and carry out the tasks with the conscience and sense of responsibility of socialist posts and telecommunications cadres and workers.

The first thing that must be done is to explain the role, tasks, position, nature, and special characteristics of the posts and telecommunications sector to the party, state, sectors, and people so that the party and state understand things and give attention to providing leadership and guidance, increasing investments, enabling the sector to soon narrow the gap between it and the other sectors and the posts and telecommunications sectors in other countries and so that the sectors and people understand the difficulties and help and cooperate with the sector in maintaining and expanding posts and telecommunications services.

We suggest that the party and state reorganize our country's posts and telecommunications sector by centralizing and unifying the national information network--with the exception of a number of sectors and special requirements having their own separate information system--in order to prevent investments and the information organizations from being dispersed. Instead, investments must be accumulated for the national information network to enable it to expand quickly and modernize gradually and to support information with high productivity and good quality, maintain secrecy and safety, provide widespread support for all the sectors, and achieve good economic results.

Based on its nature and special characteristics, the sector must conduct all-around and in-depth studies, reorganize production and management, maintain unified and effective control over the network, maintain information, and ensure that the quality of the service improves constantly. A suitable portion of the budget and foreign currency must be reserved to purchase and supply materials, make intensive investments, and ensure that the network is synchronized and always able to operate normally. The various-echelon leadership and management cadres must be given help so that they know the tasks and people, understand how to use the new management mechanism in a flexible manner, and give attention to the network, to the material and spiritual lives of the cadres and workers, and to maintaining posts and telecommunications activities. Specifically, attention must be given above all to posts and telecommunications activities, to publishing newspapers and magazines, providing materials, components, and spare parts, making repairs, operating equipment, and creating conditions to organize, guide, and motivate the cadres and workers to fully exploit the material and technical base and fulfill the information and liaison requirements well.

In investing in construction and development, things must be done in accord with uniform and balanced plans, and things must be done gradually in accordance with actual conditions and requirements. Immediately, investments must be made in building posts and telecommunications production and service surfaces for a number of places. Additional equipment and tools must be provided to have civilized and courteous postal service. In particular, the various-echelon letter and newspaper transport forces must be restored and expanded, and steps must be taken to prevent official letters, letters, newspapers and magazines, postal matter, and packages from being delivered late or lost. As for telephone service, besides building projects and establishing sufficient domestic and international liaison channels, much attention must be given to providing suitable long-distance telephone exchanges in order to exploit the channels well and maintain and expand telephone service with other countries. In particular, cable networks and internal telephone exchanges must be provided, the situation in which there is an ever-increasing loss of balance between long-distance and local lines must be solved, and a good current volume of use must be created in accord with the increasing number of channels. A suitable portion of the investment funds must be reserved for overcoming the backwardness in postal work and stimulating the expansion of the local telephone network in Hanoi, Ho Chi Minh City, and a number of other large cities and industrial zones. Besides this, the telephone exchanges in the cities and provincial capitals must be equipped, and national gentex and telex networks must be officially organized.

In order to maintain and expand posts and telecommunications services, attention must be given to guiding investments to expand the information industry, rearranging the plants and enterprises, providing additional technical equipment, building production chains and new plants, and providing raw materials and materials with the proper specifications in order to produce sufficient good-quality equipment and materials for the network. Priority must be given to organizing investments to produce and provide signal line and cable, machines, telephone exchanges, various types of wave and microwave carriers, wireless receiver-transmitters, and various types of parts and to providing uniform sets of equipment to facilitate operations. This includes

insulators, terminal boxes, cable joints, fuses, lightning conductors, indicator signals, relays, plugs, and exchange locks. In order to produce good-quality items, it is essential to investigate every avenue, including cooperating with other countries and importing equipment, raw materials, and parts that we can't produce, such as equipment to machine metals, telegraph equipment, assembly chains, plastics, copper, spring metals, good conductors, electron tubes, semiconductors, and electronic circuits.

Along with investing in building the industry and expanding the network, in order to carry out these two important tasks well, it is essential to invest in building ranks of cadres and skilled workers who have theoretical standards and practical experience. This must be done in the technical, occupational, and economic management spheres. The training and employment of these people must be planned, and this must be done in accord with the cadre policies of the party. Attention must be given to their politics and moral qualities and to their capabilities. Thus, the selection, training, employment, and promotion of people must be done in a very careful and objective manner in order to have a suitable apparatus and mechanism in which there is adequate trust. The training must be carried on both here and abroad using a variety of methods based on specific standards and gradual accumulation. This must be done based on the idea: whatever the job, attend classes and meetings on that work; from the classes and meetings attended on work, return to do that work. Only in this way will it be possible to have cadres and workers with high standards and many people with international standards in various specialities and foreign languages and experience working with foreigners.

In order to stimulate industrial production and expand the information network, scientific research must be promoted, and technology must be improved and put to use. Research must be tied to production and the network, and the situation and the requirements of production and the network must be adhered to in order to discover the problems and find research topics so that the research has targets and contributes to solving the real problems of production and the network and constantly advances production and the network. A rank of cadres and workers to do the research and support the research must be built. The research cadres must be trained so that they have a scientific work style that is tied to the real situation. They must be highly motivated and dedicated to scientific work. On the other hand, favorable conditions must be created for the cadres and workers engaged in scientific research. Not only must they be given training, but machining, laboratory, and measuring equipment, raw materials and materials, parts, and scientific documents must be made available. Another thing that is just as important is the work environment and the living conditions of these people and their families. Much attention must also be given to motivating and rewarding the scientific cadres.

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CSO: 4209/470

## NHAN DAN MARKS ANNIVERSARY OF TRADE TIES WITH MPR

BK181215 Hanoi NHAN DAN in Vietnamese 10 Jun 87 pp 1, 4

[Unattributed article: "Three Decades of Vietnam-Mongolia Economic Cooperation"]

[Text] Today, together with the fraternal Mongolian people, our people jubilantly celebrate the 30th anniversary of the first agreement on goods exchange and payment between our government and the Mongolian Government. Following the establishment of bilateral diplomatic relations in 1954, the signing of this document was a big milestone that opened up new prospects and possibilities for economic cooperation between us and our friends in total conformity with the immediate and long-term interests of the cause of national construction and development in each country.

Over past decades, along with witnessing many important events that marked new, fine steps of development in the history of relations between the two nations--such as the signing of treaties of friendship and cooperation in 1961 and 1979 and the exchange of visits between high-level party, state, and government delegations of the two countries--we have noted with pleasure that trade relations and economic cooperation between Vietnam and Mongolia have been constantly consolidated and developed in diverse forms. Overcoming objective difficulties and the limitations on the actual capabilities of each country, this relationship has been incessantly strengthened and expanded in many fields to meet the ever-increasing demands of each people.

Since the signing of the agreement on goods exchange and payment, the value of goods exchange between our country steadily increased by 24.37 percent in the 1981-85 period as compared with under the first long-term trade agreement signed for 1976-80, with Vietnam's export to Mongolia up by 24.3 percent compared to 24.46 percent the other way round. Under the long-term 5-year trade agreement for 1986-90 signed in Mongolia in October 1985, the value of bilateral trade is expected to increase by 21.5 percent over the previous 5 years. In 1986 alone, the turnover was 12 percent more than planned. A protocol on goods exchange and payment for 1987 signed in Hanoi early this year also projects a 25-percent increase over 1986. Along with the exchange of goods, economic cooperation between the two countries has continued to develop successfully, especially since the two sides set up an intergovernmental commission for economic, scientific, and technological cooperation in



1979. Since then, the commission has held five sessions and devised concrete forms and measures for cooperation, thereby qualitatively upgrading bilateral relations. Implementing the agreements already signed, the two sides have exchanged expert teams, carried out joint research and production ventures, and helped each other in effectively training cadres for some branches of the national economy. For instance, we have sent dozens of artists to help our friends repair and restore historical and cultural relics; and dozens of our workers and cadres have helped our friends repair houses in the capital of Ulaanbaatar and assisted them in other economic and scientific branches. This has been highly appreciated by our friends. On the other hand, our friends have helped us train more than 100 cadres for the various economic branches, especially the agricultural and livestock breeding branches; and provided us with assistance in organizing sisterhood establishments such as the Vietnam-Mongolia Friendship Dairy Cow State Farm. In the past, the two sides have made numerous efforts to create a firm foundation for long-term bilateral cooperation. Despite many difficulties and the limited capabilities of each country, the results achieved in bilateral economic and trade relations over the past decades are heartening, and at the same time, they show that the two countries are totally capable of further expanding and developing bilateral cooperation. This is in total conformity with the legitimate aspirations of both peoples and with the foreign policies of both parties and governments; and it is aimed at enhancing solidarity, unity, and the strength of the entire socialist community.

Looking back at the fine relations between the two nations over the past 30 years, the more they are heartened by the development of the all-round and increasingly efficient cooperation between the two countries, the more highly our people appreciate the fine sentiments and valuable support and assistance given by the party, government, and people of fraternal Mongolia to our revolutionary cause. On the occasion of this anniversary, our people once again express their sincere thanks to the party, government, and people of Mongolia for these fine and lofty sentiments. Our people pledge to do their best to make the fraternal friendship, militant solidarity, and all-round cooperation between the two parties, states, and peoples last forever in the interests of both peoples as well as for the cause of peace and socialism in Asia and the rest of the world.

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## BRIEFS

FAMILY PLANNING PRESS CONFERENCE--Vietnam once again thanks international organizations for their assistance to the population and family planning work in Vietnam. Professor Dr Dang Hoi Xuan, minister of public health and vice president of the National Committee for Family Planning in Vietnam, informed a press conference in Hanoi Saturday [13 June] about Vietnam's activities in response to the appeal of the UN Fund for Population Activity to observe 11 July as the Day of the 5 Billion. Vietnam now has a population of 62 million and it is trying to reduce the population growth rate to 1.7 percent by the year 1990, the minister said. [Text] [Hanoi International Service in English 1000 GMT 13 Jun 87] /8309

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